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# The New York Times ANNALIST

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NEW YORK, MONDAY, JULY 14, 1913.

IN the failure last week of the First-Second National Bank of Pittsburgh, with liabilities of \$40,000,000, the lessons are obvious. One is that if the liquid resources of a commercial bank be converted into fixed forms, as when investments in securities exceed a proper relation to short-term loans on business in a state of consummation, the consequences are inevitable. Another is that this is a thing very likely to happen where the functions of banking, promotion, and brokerage are combined, as they were in the Pittsburgh institution. The interests in control of the bank were essentially promoters of all such engineering works as are included under the general head of public utilities, especially water works. They built the properties, financed them, and then merchandised the securities to investors. The promoter does not become a conservative banker in the interval of passing from the promotion office to the Directors' room of a bank, and either as banker or promoter he will, as the seller of his own securities to the investor, continue to be influenced by his optimistic imagination. If a promoter did not get more from a bank of his own than from another there would be no object in his owing a bank at all.

The incident, otherwise, is remarkable rather for being unusual than for its importance. Though securities have been declining for a long time, and though general business in this country now seems to be undergoing a pretty general kind of liquidation, this is the first large financial failure, whereas abroad, especially in Germany, such happenings have been chronic. There have been many more difficulties of that sort in the City of London than in Wall Street. Each succeeding settlement in Berlin and London is awaited with uneasiness, whereas in Wall Street the only anxiety of the broker is how to make ends meet on the little business doing.

THE builder is always an optimist. He can seldom be trusted as a banker—not that he is deficient in morality or good intentions, but because his mind is uncritical and oversanguine. There is no limit upon his undertakings but the credit with which to finance them; therefore, when he has unrestrained access to a fund of credit he will be prone to use it with too much imagination. The final reflection is that though he lose all of his own capital and most of that with which investors have supported him, the works he has built will remain, as if nothing had happened, a permanent addition to the sum of wealth. Perhaps that is why the public at large is commonly so in-

different to what becomes of the capital, and why capital has always to look out for itself.

AT the close of a 64,000-share session on the Stock Exchange one trader asks another if he knows that wheat and corn have been weak all day. The other wearily answers that he does not know it and does not greatly care.

"But it is a good sign, is it not?" the first one asks.

"Don't know," says the second.

"If grain had advanced to-day on rumors of crop damage we should have heard a lot about it, what?"

"Yes," answers the first trader, "I dare say that is true, but suppose it is?"

"All that I'm driving at," says the first trader, "is that nobody cares about a fall in grain, because that's a favorable matter and everybody here is bearish; but if it had gone up as much as it has gone down to-day, everybody would have talked about it as unfavorable and sold a few more stocks."

That is Stock Exchange sentiment.

WHEN the fewness of transactions on the Stock Exchange and the low price of brokers' seats become matters of news interest and appear on non-financial pages of the newspapers, we must have reached a definite point in the cycle of affairs. Things have been going one way for a long time. When transactions are making new high records, seats are unpurchasable and people are in a frenzy of bullish enthusiasm, and these matters are printed on the front pages of the newspapers, that is generally a good time to swap inflated securities for money. Again, when a panic among security holders is the big news story of a week, those who can afford to buy securities should. Last week a Stock Exchange seat sold for \$38,000 on the day that transactions fell below 70,000 shares. One of 1,100 memberships on the New York Stock Exchange, which is the primary market for American securities, is cheap, though the price should go even to \$25,000 before it begins to rise. And when fewer than 70,000 shares are dealt in during a session of five hours, there is very little room for further shrinkage. Any change worth noting must be in the line of expansion.

SPECULATORS make money in cotton futures. If that were not true speculation in cotton futures would cease and the Cotton Exchange would be boarded up. The money speculators make may be added to the cost of cotton to the consumer, or deducted from the price received for cotton by the producer, as you prefer to see it. And yet, these facts alone would not justify the imposition of a prohibitive tax on transactions in cotton futures under pretense of amending the Tariff bill. The fundamental question is not whether speculators make money nor whether they make it at the expense of the producer or consumer, but whether or not the speculation itself serves a useful purpose. If it does, it may properly expect to be paid for it, in terms of profit.

Now, the use of speculation in any agricultural staple which is harvested all at one time and merchandised over a whole year is to distribute the weight of the crop. If only the actual consumers of cotton could buy as the crop came up for sale, the sellers would be at a disadvantage; and then, if only the actual owners of cotton could sell it, buyers would be at a disadvantage later. The weight of the crop would be all in one season. It is the speculator who, by dealing in futures, keeps a market on which both

producers may sell and consumers may buy, in almost unlimited quantities, at any time during the year. If a planter sees that he is going to have a large crop, he can sell as much of it as he wants to sell or all of it, in an hour, for future delivery; and the spinner, on the other hand, accepting orders ahead for finished materials, may protect his margin of profit by contracting in advance for delivery of the raw material at a fixed price. That is the economic use of speculation. What is it worth?

ORGANIZED labor has gained a shrewd understanding of politics. It has learned to make its demands when it will be most awkward for the railroads to refuse them. For instance, the trainmen have voted to strike for an increase of 15 or 20 per cent. in their pay just when public opinion begins to be veering about in favor of granting the railroads permission to raise their rates 5 per cent. horizontally. Their application to do so is pending with the Interstate Commerce Commission. There is scarcely any doubt that the strongest argument set out by the railroads is that they have been raising wages in order to enable their employees to meet the higher cost of living. That has appealed strongly to average common sense. But now if the railroads should say, "We have gone quite as far as we can go in that direction," and refuse to raise the trainmen's pay, the public might think, "Well, then, if they are not going to raise wages any more perhaps it will not be necessary for them to raise rates."

WAIVING the question whether railroad employees deserve higher pay, the fact may be stated for its intrinsic interest that the efficiency of labor has not increased as wages have advanced during the last few years. Experience on that point is uniform among superintendents, traffic managers, general managers, and all operating officials. Many of them did expect the men to be more contented after a general raise of wages, but never has that been the case. Operating departments that counted on being able to reduce their costs, though wages had been raised, by the greater efficiency of labor, invariably found that efficiency fell and costs, for that reason, increased beyond the simple arithmetic of wage additions. Taking for it the word of operating officials who have come out of the ranks, the spirit of railroad labor has changed for the worse with the increase of prosperity. The individual who shows symptoms of interest in the company is thought to be remiss in his loyalty to organized labor. A fireman who takes pride in his engine and stops to trim it up is in danger of being called a scab. An engineer who goes a little beyond the requirements of his work to take an interest in a company experiment, as with automatic stokers, and obtains results where others have failed, finds himself in contempt of his less efficient associates. These facts are too widely known to be denied. The men who complain of them most are not the Presidents of the railroads, nor the owners, nor the bankers, but as a rule the practical men who, beginning as firemen or section bosses, have by a willingness to work and a pride in the job, risen to executive positions at \$10,000 and \$15,000 a year, and continue to be interested less in their own leisure than in conducting the business of transportation. When a man like that, responsible for the company's observance of the new hours of labor law, has to relieve a train crew at the yard switch and pay another crew a full day to bring the train in, his disgust is exceeding strong.

### Martyrdom of Atchison

THE Mayor of Atchison, Kan., is in a way to exchange fame for financial wisdom. His plan of partial repudiation, which is to force upon the holders of \$266,950 4 per cent. bonds a renewal bond at the same rate of interest, in lieu of their principal now overdue, has provoked wide discussion in the Southwest. Economic intelligence obviously has been rising in the country since the taxpayers were so willing, as in the 70's, to believe that their creditors were enemies and soulless, merely by reason of being creditors.

The manager of the bond department of a large Southwestern trust company writes, on June 10, as follows:

Editor of THE ANNALIST:

In view of your comment on the refusal of the City of Atchison, Kan., to meet its maturing 4 per cent. bonds on July 1, we thought you might be interested in the inclosed clipping from The Kansas City Star of yesterday, which includes an interview with the Mayor. It would probably be a kindness to explain that he is a physician, and, therefore, probably not thoroughly informed on financial matters.

The statements as to the valuation and merit of the 4 per cent. obligations of Atchison are not only obviously erroneous, but would be amusing, if the result of his action were not of such serious moment, not only to the good name of his own city, but to the credit of other municipalities of Kansas.

The clipping referred to reads:

NEW YORK, July 9.—Financial papers deal rather severely with Atchison, Kan., on the offer of the Mayor of that city to give holders of the \$266,950 bonds now due, twenty-year 4 per cent. bonds in exchange instead of paying cash or giving refunding bonds of the same value.

Several other Kansas towns have big bond issues coming due shortly and investors fear they may follow Atchison's example.

THE NEW YORK TIMES ANNALIST, commenting on the Atchison case, says:

Let not the Mayor of Atchison deceive himself with words. This is fraud. The city owes its creditors the principal, which now is due, one hundred cents on the dollar, and it refuses to pay. It offers instead a 4 per cent. renewal bond, which is worth, say, 80, in competition with better securities. Since when was it honest to pay off your creditor at 80 per cent. and laugh at him? It is repudiation.

The Commercial and Financial Chronicle says:

It may be difficult to make the officials of Atchison realize that the option of extending maturing obligations lies with the creditor, not the debtor, and that the debtor cannot safely act upon the Milwaukee assumption that a renewal on the old terms, though those may have been satisfactory for many years, should be and will be now. Present conditions govern that. Under those conditions 4 per cent. Atchison bonds would not be worth par, and an exchange of new for old would be a transaction above the market and impossible. The City of New York, or even the United States, could not avert a maturing debt in this manner at this time.

Under an Atchison date line The Kansas City Star prints an interview with Mayor Finney, which he launches thus:

I am simply protecting the taxpayers of Atchison from a lot of scheming brokers. Thirty years ago these bonds were issued, bearing 4 per cent. interest, and they have been as good as gold for these thirty years. In fact, until just within the last year they have been quoted at from \$1.05 to \$1.07.

The reason the bonds sold at \$1.05 to \$1.07, that is, at par and accrued interest, "until just within the last year," was that the holders trusted Atchison to pay them off at par. They felt sure of receiving their principal when it came due, and of being able to reinvest it at the higher rates of interest now prevailing. But Mayor Finney is brave; he is unafraid. He cannot be scared by talk of calamity:

I have been accused of woefully disregarding the city's credit. The New York and Kansas City brokers, urged on by local financial interests, have made it appear that my stand on the bond issue will ruin Atchison's credit in the future. I am not afraid of such calamity talk.

If the New York and Kansas City brokers do not want to take our bonds, we have plenty of money right here at home to buy every single

one of them. Another thing they have charged is that I am trying to repudiate Atchison's debts. This is absolutely untrue. I am simply renewing the city's notes on the same terms. I always have paid my own personal debts and I believe in a city paying its debts, but when I took office I found Atchison saddled to the guards with bonded indebtedness and no apparent means of liquidating any of it.

Renewing a bond "at the same terms" is very different from renewing it at the same rate of interest. The bonds were sold originally at the prevailing rate of interest. To be on like terms, the new bonds should bear the prevailing rate of interest, which is higher, through no fault of the creditors. Proof of this test of the "sameness" of terms is that only by selling new bonds at the prevailing rate of interest could Atchison, if it were inclined to be honest, obtain the money with which to pay back the old bondholders their principal. To give them another 4 per cent. bond is to give them back less than their principal, because a 4 per cent. bond worth 100, say thirty years ago, is to-day worth about 80, the prevailing rate of interest having risen.

Mayor Finney promises to reform the financial methods of Atchison, which is inconsistent with the contention that Atchison is morally justified in repudiating 20 per cent. of the principal, and ends by denouncing the ways of creditors in the good old repudiation manner:

I will levy 1 mill this year for the sinking fund, and that will raise \$16,000. Another feature which makes the new bonds stronger is that they are subject to call after three years, and as long as I am in office I am going to keep after this bond business and see that as much of the indebtedness as possible is cleaned up.

They tell me that I can be sent to jail if I persist in insisting on refunding the bonds at 4 per cent. All that I can say is that I am ready to go to jail to-day or to-morrow, because if they send me to jail it will mean that these grafters who saddled Atchison down with a big debt will be caught in the net, and that would be a blessed good thing for Atchison.

Jail is no place for Mr. Finney.

EVERY man to his special point of view. A lifelong Republican farmer accosts his city friend in the road. "I'm for Wilson," he says. "Why, now?" asks the city friend. "Ain't you seen it?" asks the farmer. "He's goin' t' make th' banks lend their money on farms. That's the best thing any President ever done. I'm for 'im."

THE speculative dullness not only continues, but daily grows more and more marked and exasperating. Think of it! Less than 47,000 shares of stock were dealt in on the Stock Exchange yesterday. That breaks the record. Never has there been a day in twenty years when so slim a business has been done. And of that 47,000 shares it is a fair estimate to put the total amount of outside patronage—the buying or selling by the public as contrasted with the scalping of room traders—at not more than 1,000 shares. One of the most prominent Governors of the Stock Exchange, a gentleman who is at the head of one of Wall Street's biggest brokerage houses, said yesterday: "We have not earned enough during the last six months to pay our office expenses. And we have fared not one whit worse than other firms." Fully a third of the old clerks in Wall Street houses have been discharged lately, owing to the long-continuing lack of business. They have had their salaries reduced materially, and more than one conspicuous house is getting ready to go out of business altogether. Enter any office in the entire Wall Street district and you hear animated discussion of just one subject—the prevailing unprecedented dullness. There are a hundred theories to explain the unpleasant condition, and another hundred suggesting correctives. Wall Street insists, however, on attributing the trouble to outside causes.—The New York Times, Feb. 13, 1888.

### Eastward Ho!

*In His Quest of Cheaper Land the Western Farmer Discovers New York State, and Is Encouraged to Migrate—An Organized Movement to Interest Him in Neglected Possibilities*

IF some Western friend, in New York for a few days, happens to ask whether you know how rapidly the up-State counties of New York are being settled by Western farmers, don't misjudge him in regard to his sanity or think that he is trying to joke at the expense of the old Empire State. He will be asking you a very sensible question about something that is being talked of among farmers all over the great cereal States of the West. Out there, where twenty-five years ago there was still free land to be had, and developed farms were cheap, farms are now held at valuations so high that young farmers cannot see agricultural profits big enough to warrant them in buying, while other shrewd men are selling out and going to Canada, to the "cut-over" timber lands of the South, and to other sections where the soil is just as rich and costs are less.

And among these other places there happens to be, at the moment, a considerable stretch of fine farming land in the most beautiful part of New York, in the lake regions of Ontario, Seneca, Yates, and Cayuga counties which a Western development corporation, with a record of successful colonizations in many parts of the country beyond the Mississippi, is now marketing among farmers of Illinois, Iowa, Nebraska, and nearby States.

We may still dream that the way of the would-be farmer points to the West. And there is, still, much land covered by irrigation and reclamation projects there for men who will essay new methods of agriculture. People who know say, however, that there was never before such a great aggregate of migration of farmers as now, and the feature of it is that it is in many directions. Toward the South, where great lumber companies are selling denuded timber lands, excursions of well-to-do farmers from the Upper Mississippi Valley are going by rail and river every week. And now migration has even turned Eastward.

#### THE ADVANTAGES OF AN EASTERN FARM

When you have read some of the literature that is going to the western farmers about the particular farm development in Northwestern New York that suggested this article you will not wonder that the project has been taken up in a large way by farm real estate companies, for there is an unanswerable appeal to the hard-headed Mid-Westerner in the situation. All the agricultural records give New York the better of the Mid-West in productivity per acre in the Mid-West's own products. And the farms in New York are so much nearer to markets that prices at the farm, as recorded monthly by the Department of Agriculture, are fully 50 per cent. better than in Iowa and Illinois. On the other hand, farms cost a third less in New York than in Illinois to-day.

It is probable that the East offers its opportunity to the young Western farmer only for the moment. Farming in New York can be greatly improved, and through the Eastern States the movement for more ef-



ficient agriculture is beginning, as in the West. In the face of the results that New York farmers get, compared with average results, it cannot be said that agriculture is backward. Great quantities of potatoes, rye, corn, and other grains are produced. But agriculture, as compared with manufacturing and trade activity, has waned in that it has not kept pace with other progress. The boys of New York farmers have been close to the cities and have left the farms for other kinds of work. So New York is covered with idle farms. The State of New York has for several years published annually a pamphlet describing hundreds of cheap farms. But now comes the exploitation of this bargain situation, and, at the same time, a progressive movement for co-operative small farming that will make a market for most of the good land.

#### SHOWING UP THE BARGAINS

But at the moment farm prices in New York are decidedly cheap in comparison with the Mid-West, and the development company is taking every advantage of the situation. It is covering the West with attractive literature in which not only are the production records given, but the beauties of up-State New York are pictured in excellent half-tone reproductions of photographs. Fine old farm houses of the Colonial type, standing in groves a century old, are set off against the rather bare surroundings of the two-story box that is typical of some parts of the West. It is an honest comparison, for nothing else would go with the Western farmer, who knows what home farms are and what they cost. At the top of the page is pictured a Western farmhouse and its surroundings. Some of them are attractive. Others are not. It is a real farm. The number of acres is given, also the cost per acre and the whole cost of farm, house, and all. The distance from the nearest railroad station is told.

Below it is pictured a real New York farmhouse. It is low and rambling, sitting back among trees, with ample barns in the distant background. The same facts are given as for the Illinois farm. They happen to have the same acreage. The Illinois farm is for sale at \$30,062. The New York farm can be had at \$20,060. The New York farm is near the station of a railroad that runs direct to New York City.

#### THEN THE BUSINESS POINTS

The Western farmer is not going to buy a worn-out New York farm because it has a fine old house on it. There are agricultural business figures for him in the advertising pamphlets that he is getting. Now nearly every farmer in the West knows about the publications of the Department of Agriculture, and has access to them. Out of the authentic records published by the Government the following talking facts have been gathered, showing average yields of Eastern and Western farms, and, what is even more convincing, the prices the farmers get for the products, by bushel and by acres:

##### CORN.

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	Av. Yield		Per Acre.		P.C. P.C.		Av. Val.	
	Bu.	Bu.	of	of	Price	Per		
	1870-79.	1910.	Inc.	Dec.	Dec.1, '10.	Acre.		
New York....	33	38.3	16	..	\$0.63	\$24.13		
Pennsylvania..	35.7	41	15	..	.59	24.19		
Indiana .....	32.6	39.3	20	..	.40	15.72		
Illinois .....	30.3	39.1	29	..	.38	14.85		
Iowa .....	34.5	36.3	5	..	.36	13.06		
Nebraska ....	34.5	25.8	..	25	.36	9.28		
Kansas .....	34.3	19.0	..	45	.45	8.55		

##### OATS.

Page 542.\*

	Av. Yield		Per Acre.		P.C. P.C.		Av. Val.	
	Bu.	Bu.	of	of	Price	Per		
	1870-79.	1910.	Inc.	Dec.	Dec.1, '10.	Acre.		
New York....	32.9	34.5	4.8	..	\$0.42	\$14.49		

Pennsylvania ..	30.8	35.2	14	..	.41	14.43
Indiana .....	26.1	35.4	35	..	.31	10.97
Illinois .....	30.1	38	26	..	.30	11.40
Iowa .....	34.4	37.8	10	..	.27	10.21
Nebraska ....	32.2	28	..	14	.28	7.84

#### HAY (CLOVER AND TIMOTHY.)

Page 573.\*

	Av. Yield		Per Acre.		P.C. P.C.		Av. Val.	
	Tons.	Tons.	of	of	Price	2 yrs. Per		
	1870-79.	1910.	Inc.	Dec.	1910-11.	Acre.		
New York ....	1.20	1.32	10	..	\$15.80	\$20.85		
Pennsylvania..	1.19	1.38	16	..	17.50	24.15		
Indiana .....	1.25	1.30	4	..	15.04	19.55		
Illinois .....	1.34	1.33	..	1	14.67	19.51		
Iowa .....	1.42	1.05	..	35	11.05	11.60		
Nebraska ....	1.52	1.00	..	52	9.30	9.30		
Kansas .....	1.46	1.15	..	20	8.85	10.17		

\*Pages refer to the United States Agricultural Year Book.

#### THE COMPANY'S PLANS

The company that is exploiting Western New York is an Omaha concern with half a million in capital that has specialized in large farm sale developments. In reply to a request for information the company makes the following statement of its purposes in going into the New York field:

The Payne Investment Company of Omaha, Neb., has had a wide experience in the sale of farm lands. For twenty-two years we have been operating in the West, confining our efforts largely to colonizing. It is our plan of action to secure the agency contract for the sale of a large tract of land, subdividing the same into small farms, selling to the actual settler. We have made it a part of our war cry in our advertising that we do not want the speculator; that we were not looking for the doctor, the lawyer, nor the preacher, nor the widow who had money to invest, but we wanted the man who would go on the land and make good. With this point constantly in view, we have been able to secure some of the best propositions ever placed before the public. We sold large tracts of land in Western Nebraska, organizing at different times colonies of different nationalities. We sold several tracts to Swedish people, and have always had good success in handling people of that nationality.

The land sold by us in Nebraska and Colorado was irrigated land. We began in the Scotts Bluff country of Western Nebraska in the Spring of 1910. There is no more prosperous community in the West at this time than the famous Scotts Bluff country, along the North Platte River in Western Nebraska.

We undertook the sale of a large tract of land in the Arkansas Valley of Colorado; also subdividing a large farm in Sac County, Iowa, known as "Brookmont." We advertised this as the "Finest Farm in the World." We sold the land at prices ranging from \$125 to \$135 per acre, and the owners have already refused \$165 to \$175 for their investment. We operated in 1910 in the famous Bayou Teche country of Louisiana, subdividing and selling five large sugar plantations—the sales being made to Northern men. Being repeatedly solicited to enter the California field, we finally took over a tract of about 18,000 acres of irrigated land in the San Joaquin Valley.

For several years the officers of our company had had in mind the developing some day of the East—along the same lines as above mentioned. We began making investigation into the Virginias, Maryland, Pennsylvania, and New York. Several months and a great deal of money were spent in this investigation to satisfy ourselves of the conditions. We regret to say that in the West there is a prejudice against New York farms, and the general feeling is that there is nothing in New York but stones and hills and worn-out farms. We found conditions just the reverse. Our soil experts decided that Ontario, Seneca, Cayuga, and adjoining counties offered a wonderful opportunity for farming and for investment. We were charmed with the conditions found here. We had for years preached the growing of alfalfa and, in fact, the Payne Investment Company may be said to be the "Father of alfalfa growing" in the famous Platte Valley of Nebraska. We urged alfalfa growing upon early settlers nearly a quarter of a century ago. To our surprise we found it in profusion in this locality where we are now operating. We found clover to be beyond our anticipation. Found great timothy fields. We found that wheat was produced more heavily than in the West; found that oats was a good producer here. We found that beans and cabbage and potatoes were yield-

ing big returns. Farmers here were pursuing a rotation of crops which was getting the returns and keeping the land in fertility.

While we found no abandoned farms, we found many that needed "new blood;" they had been abused but had not lost their fertility. We found farms that ought to be sold; that ought to change hands. The fields needed better cultivation, more intensive, more energetic methods of cultivation. We found some splendid old farm homes that needed rejuvenation; the barns needed painting, and with the view of interesting Western buyers we began an active campaign. Great interest has already been aroused in the West in our endeavors. It has been a campaign of education, and men who were scoffers and doubters as to there being any good thing in this "Nazareth" of the East are now interested and want to come and see.

#### A WESTERN IDEA OF NEW YORK

Regarding the possibilities of agriculture in New York, both as to production and marketing, a representative of the company says:

We have emphasized to a considerable extent the fact that farmers here are very close to the markets. We say that the New York farmer is within a night's ride of 40,000,000 people. It is safe to say that of this vast multitude 90 per cent. are consumers and not producers. The other 10 per cent. out on the farms must feed the people in the manufacturing and commercial centers.

In addition to the above crops the growing of fruit is to the minds of us Western people a remarkable situation. In no other section where we have operated have we found fruit-growing so sure as in this portion of New York. There seem to be no actual fruit failures in this country. There may be a light crop of apples in one orchard this year, but another orchard will have a good crop. It is not a climatic condition nor any condition of the soil that accounts for large crops or small crops of apples. There seems to have been a provision of nature whereby there are apples in some orchards every year.

We have never found in our investigations a place where there could be grown so many varieties of cherries, nor in such quantities, nor apparently in such continuous crops. We have yet to learn of a failure of the cherry crop. The same thing applies to other fruits: pears, plums, peaches, and grapes. If the State of New York—particularly the men interested in horticulture—would pursue the active measures so common in Colorado, California, and in the orchard belts of Idaho, Oregon, and Washington, there would be here the very acme of fruit industry. The Western men see to it that every orchard is sprayed or, if not sprayed, the trees are cut down. The Western fruit grower must keep his trees trimmed and must spray his fruit. Were the same vigorous methods pursued in the State of New York the Empire State would lead the world in fruit production. This would not be restricted to apples, but to fruits of all kinds.

#### OTHER EASTERN DEVELOPMENTS

Apart from this purely commercial exploitation of New York's farming possibilities there is an important movement on for strengthening the agricultural resources of the State. The New York State Bankers' Association has an active committee at work, and this committee is in co-operation with a number of up-State organizations that are pushing to accomplish something. The bankers have in mind the advantages of the hill country of the State for the raising of food animals, but fruit growing is not forgotten. An important plan that is to be tried out will be co-operative working of small tenant farms under expert supervision. The farms will be operated on a block system. A block of, say, twenty farms will have an expert adviser who will be manager, in some degree, of his farms. There will be co-operative ownership of some of the large machinery. As soon as several blocks of farms have been established, these will be combined under the supervision of an adviser-general. A feature of the plan is to accept in the system only tenant farms whose owners agree to sell on long-time terms to occupants after a period of probation.

# A Strange Incident In Gould Finance

WHEN the committee that has charged itself with the task of disentangling the finances of the Wabash Railroad recently reached the \$5,000,000 4½ per cent. gold notes, which were due May 1 last and are now in default, a new chapter in Gould finance was unexpectedly opened. The value had strangely disappeared from 12,000 shares of Pacific Express Company stock employed thereunder as collateral security.

There were 60,000 shares of Pacific Express stock, of which the Gould family owned 24,000, the Missouri Pacific Railroad 24,000, and the Wabash Railroad 12,000, which it pledged with the holders of its notes. Investigation led to the discovery that the members of the Gould family had been fully reimbursed for the depreciation in the value of their shares, though nothing was done to protect the unknowing note holders.

It is a story that has to be told in order of its happening.

At the beginning it will be necessary to understand what the Wabash 4½ per cent. gold notes were. They were issued originally in 1905, to run five years, and the amount was \$6,049,000. On May 1, 1910, when they came due, the amount was reduced to \$5,000,000, and they were extended for three years to May 1, 1913. The security pledged beneath the notes was:

12,000 shares of Pacific Express Company stock.

2,400 shares of the Belt Railway Company of Chicago.

1,210 shares of the American Rapid Transit Company.

\$1,500,000 demand notes of the Wabash-Pittsburgh Terminal Railway Company, now bankrupt.

\$3,500,000 demand notes of the same, indorsed by the Pittsburgh Terminal Railroad & Coal Company.

140,000 shares of the Pittsburgh Terminal Railroad & Coal Company, controlled by the bankrupt Wabash-Pittsburgh Terminal Railway Company, and,

\$3,800,000 4½ per cent. bonds of the Pittsburgh Terminal Railroad & Coal Company.

All of this collateral, save the 12,000 shares of Pacific Express Company stock, is involved in the general insolvency of the Wabash Railroad, the Wabash-Pittsburgh Terminal, and the Wheeling & Lake Erie, and could hardly be treated as convertible. It was, therefore, somewhat of a shock to find that the 12,000 shares of Pacific Express Company stock was of nominal value, for the reason that the company had been liquidated and put out of the express business. How that happened is the story.

## THE PROPRIETORS

The Pacific Express Company had enjoyed for many years exclusive express privileges on the Gould railroads on the basis of a 50 per cent. division of gross earnings. Of its 60,000 shares the Wabash had long owned 12,000 shares and the Missouri Pacific 24,000 shares. The other 24,000 shares were owned by the Union Pacific until Mr. Harriman, at some date later than 1905, sold them. They were bought by the Gould family. Then the Pacific Express Company's 60,000 shares were owned as follows: 12,000 by the Wabash Railroad, as before; 24,000 by the Missouri Pacific Railroad, as before; 10 shares by George J. Gould, and 23,990 shares by his wife Edith.

In 1899 the Pacific Express Company's contract with the Gould railroads expired,

but the arrangement continued without contract by mutual consent.

In 1905 the Wabash sold those 4½ per cent. gold notes. The trustee was the Central Trust Company of New York, and as collateral security for the notes, along with other things as above enumerated, the Wabash pledged its 12,000 shares of Pacific Express stock.

On April 6, 1910, the notes being shortly to come due, provision was made to reduce the amount from \$6,049,000 to \$5,000,000, and the trust was extended to May 1, 1913, with the same collateral as before. The Pacific Express Company was still doing business on the Gould railroads, and there was no suggestion of its discontinuing. The trustees of the note issue may have thought it better for the contract to be formally renewed, lest something happen; at any rate, on April 18, which was twelve days after the agreement to extend the Wabash Railroad's 4½ per cent. gold note trust, the Wabash formally entered into a second contract with the Pacific Express Company, to run for twenty years, and continuously thereafter unless terminated by agreement; and the terms were the same as before. The Express Company paid the railroad one-half of its gross earnings. Evidently this contract was made without any effort to obtain better terms from other express companies, and although, as renewed, it was very favorable to the Pacific Express Company, that seemed not to matter greatly; the Wabash and Missouri Pacific owned between them 36,000 shares out of the total of 60,000.

## AN OUTSIDE TEMPTATION

But on May 16, 1911, less than one year later, the Directors of the Wabash met to consider a letter from T. L. Chadbourne, Jr., of the firm of Chadbourne & Shores, counsel for the railroad. The letter was dated on the preceding day, and was addressed to the Wabash Railroad Company. It began by reciting the facts, namely, that the Wabash owned 12,000 shares of Pacific Express Company stock out of a total of 60,000; that the Pacific Express Company had a contract with the Wabash to handle its express business until 1930; that of the remaining 48,000 shares the Missouri Pacific owned 24,000 and was engaged to the Pacific Express Company by a similar contract; that the St. Louis, Iron Mountain & Southern and the Texas & Pacific Railroads were engaged by like contracts, and that the balance of Pacific Express Company stock, that is, 24,000 shares, was owned by members of the Gould family.

Believing that it would be much more to the advantage of the Wabash to have a contract with the Wells Fargo Express Company, because of its 51,000 miles of railroad connections as against the Pacific Express Company's 16,000; because the Wells Fargo Express Company would supply better Eastern and Western connections for business from, to and over the Wabash Railroad; because it would give the Wabash the only practicable route into St. Louis from the east, and for other equally obvious reasons, the writer, Mr. Chadbourne, had asked George J. Gould, some months before, what the Gould family would take for its interest in Pacific Express stock. Upon the Gould family's agreement to take par for it, he had opened negotiations with the Wells Fargo Express Company, which had

resulted in a memorandum of contract as follows:

First, the Wells Fargo Company would pay a cash premium of \$1,600,000 for the contract.

Second, it would pay an annual arbitrary sum of \$325,000 to the Wabash and Missouri Pacific.

Third, it would pay over 50 per cent. of its gross earnings, and,

Fourth, it would guarantee that each five-year period would show an increase of 15 per cent. over the business of 1910.

The contracts, which would be alike with the Wabash, the Missouri Pacific, the Texas & Pacific, and the St. Louis Southwestern, should run for twenty years, and the good will of other Gould roads should be thrown in.

## PROTECTING THE FAMILY

The \$1,600,000 premium, continued the Chadbourne letter, was to be a cash payment to enable the Wabash and the Missouri Pacific to purchase the Gould family's interest in Pacific Express Company stock. The Gould family had agreed to accept that sum for their 24,000 shares, together with their distributive share of the remaining assets of the Pacific Express Company, upon its final liquidation, which should yield them between \$500,000 and \$600,000, above the \$1,600,000.

"In the draft of contract submitted with this statement," continued Mr. Chadbourne, "the share of this premium paid to you and by you to be paid to the Goulds is \$533,333.34, being one-third of the total \$1,600,000, the balance being paid by the Wells Fargo to the Missouri Pacific Railway Company and by it to the Goulds.

"The \$325,000 annual arbitrary referred to above was secured in the negotiations to represent 60 per cent. (the stock ownership of the Wabash and the Missouri Pacific) of the present earning power of the Pacific Express Company. Of this annual arbitrary, you, as the owner of 20 per cent. against the Missouri Pacific's 40 per cent., are entitled to receive and do receive by the contract \$108,333.34 a year, in addition to 50 per cent. of the gross earnings from express business in your lines."

The letter ended with the statement that the Missouri Pacific had already approved a similar contract with the Wells Fargo, or, rather, its part of the general agreement.

When it came to be voted upon George Gould was excused, on the ground of being interested in Pacific Express stock. The other Directors unanimously voted acceptance. The Wells Fargo contract was very much better than that in force with the Pacific Express Company, and so far as the Wabash and Missouri Pacific were further concerned, the loss of their investment in Pacific Express stock, which obviously would be a thing of nominal value afterward, was compensated for, not only by the greater advantages of the Wells Fargo arrangement, but by the annual arbitrary payment of \$325,000.

## PREARRANGED COURTESIES

On May 27th, 1911, the Pacific Express Company, at 2 Rector Street, was notified by the Secretary of the Wabash Railroad that the Directors had authorized the officers to procure a cancellation of the Wabash Railroad's contract.

On June 1, 1911, J. W. Eggleston, President of the Pacific Express Company, courteously replied, saying that his company consented to the immediate cancellation of the contract and all obligations thereunder, and to the discontinuance of any business on the lines of the Wabash, all in exact accordance with the request. It was not wonderful that the President of the Pacific Express Company should have consented politely to the surrender of its ex-



istence. Its directors were Gould directors.

On the same day, June 1, the Wabash Railroad sent a letter to George J. Gould and Mrs. Edith Gould, inclosing a check for \$533,333.34, payable to George J. Gould, on the understanding that the payment of the said sum was to both of them jointly, and was to reimburse them for the "depreciation in the value of the 24,000 shares of Pacific Express stock owned by them, resulting from the termination of that company's contracts with the Wabash."

#### OUT OF BUSINESS

The Pacific Express Company was now out of the express business. It had no other franchise and no earning power. Nothing remained but to distribute its remaining assets, of which the Gould family's share, according to the original estimate of T. L. Chadbourne, Jr., would be between \$500,000 and \$600,000. There is no record of the liquidation. When the statistical manuals applied in 1912 to the Pacific Express Company for such information as it had been giving out for years, it replied: "As the Pacific Express Company has withdrawn from the express business since July 31, 1911, it is not desirous of making any report."

On June 30, 1910, the balance sheet of the Pacific Express Company was as follows:

ASSETS.	
Property and equipment.....	\$650,478
Securities owned.....	293,754
Cash and current assets.....	1,603,072
Materials and supplies.....	18,855
Franchises .....	6,000,000
	<hr/>
	\$8,566,159
LIABILITIES.	
Capital stock.....	\$6,000,000
Current liabilities.....	1,088,039
Profit and loss surplus.....	1,478,120
	<hr/>
	\$8,566,159

It was a stock earning 18 per cent. and paying 6. It would be thought good collateral. It was. But its one important asset was its franchise, that is, its contracts with the Gould roads, and these were valued at \$6,000,000. By action of the Wabash, Missouri Pacific and Pacific Express directors, all suddenly agreeing, the contracts were wiped out in a day, and with them went the earning power of Pacific Express stock. The railroads were protected by the new Wells Fargo contract. The Gould family got par or better for its holdings of 24,000 shares of Pacific Express stock. The holders of the Wabash 4½ per cent. gold notes, secured in part by 12,000 shares of the same Pacific Express stock, were forgotten.

#### TARDY MISGIVINGS

The minutes of the Wabash board show that this was not a clean oversight. On Dec. 5, 1911, the question of assigning to the trustees of the Wabash Railroad Company's 4½ per cent. gold notes and the refunding and extension bonds the benefits of the contract recently executed between the Wabash Company and the Wells Fargo Express Company was referred to Col. Blodgett for examination and report to the board. Perhaps the trustees had complained. But it was then too late. On Dec. 18, 1911, the Wabash Railroad confessed its own insolvency, and power to make amends was no longer in the hands of the directors.

#### THE LAWYERS' SHARE

The firm of Chadbourne & Shores received \$30,000 "for their services in connection with the Wells Fargo matter."

That ends the narrative, unless some disagreeable persons continue it in the courts, as now they threaten to do.

## Everybody's Money

### Daily Receipts and Expenditures Are Now Made Public in a Way That Shows Who It Is That Spends Extravagantly

There are two things about the conduct of the business of the Federal Government of the United States that have been provocative of extravagance. One is that we have no such thing as a budget, a carefully prepared statement made by the Administration in advance of action by Congress, which might measure the probable receipts and advisable expenditures for a year, in the absence of which Congress goes ahead and spends money for every plausible purpose without any businesslike gauge of the year's aggregate. The other, until now, has been a Treasury statement of national expenditures, as made, that didn't go into enough detail to show who does reckless spending which is going on.

We have failed to get a budget, but the Treasury has just adopted a new form of daily statement of the nation's business which will be something of a check on department management at Washington because the public will know, every day, where Uncle Sam's money has gone, and in just what departments the increases in expenses are piling up, if they do so. On the first of July the Treasury began the publication of this new statement, the records of last year being looked to for the purpose of setting off, against every item of this year's business, a comparison with the same items and time a year ago. In a circular issued along with the July statement to explain the change it is said:

This is the first time that a daily cash statement of this sort has been exhibited, and the mathematical accuracy of these amounts is established by a recapitulation printed on the statement which shows the total cash assets in the general fund at the close of the previous day, to which is added the total receipts of this day, and from which is subtracted the total payments of this day, thus giving the total cash assets in the general fund at the close of this day.

The third page of the statement exhibits the current receipts of the month to date, and the current receipts of the fiscal year to date, contrasted with the same kinds of receipts a year ago. The totals of these receipts are contrasted further with the total amounts of pay warrants drawn during the same periods, whereby it may be determined in which direction and to what extent the income of the Treasury is moving in relation to the outgo of the Treasury during the current fiscal year to date and in comparison with the same totals a year ago. These comparisons are set forth on this new form in much greater detail than heretofore, so that it is now possible to determine in which departments or divisions of the Government an excess of expenditures or diminution of receipts occurs, in comparison with the previous year.

The most interesting exhibit in the statement is the part giving receipts and expenditures for the current month and the fiscal year to date of publication. Our fiscal year began on July 1, so that the month's figures and the fiscal year's to date are identical during this month. The receipts are given in the old form, but they are called "Current Receipts" instead of "Ordinary Receipts."

For the fiscal week of the new fiscal year they were:

	This Fiscal Year	Last Fiscal Year
Customs .....	\$3,536,490.71	\$4,426,048.46
Internal Revenue—		
Corporation Tax....	1,207,376.53	994,976.29
Other Internal		
Revenue .....	5,609,549.56	6,047,242.31
Miscellaneous .....	642,022.91	841,234.11
<b>Total cash receipts.</b>	<b>\$10,995,439.71</b>	<b>\$12,309,501.17</b>

We see a decided falling off in customs and internal revenue, but the statement covers a very brief period now, and it will be when there is a considerable number of weeks in the columns devoted to "Fiscal Year to Date," as well as the corresponding items in the "Current Month to Date," that the comparisons will have dependable significance. This is just as true of the variation in expenditures, which are given in detail as follows:

	This Fiscal Year	Last Fiscal Year
Pay Warrants Drawn:		
Legislative Estab....	\$551,844.04	\$176,992.20
Executive Office....	2,000.00	33,500.00
State Department ...	26,766.33	13,726.58
Treasury Dept.—		
Exclu. Pub. Bldgs.	610,719.44	829,837.33
Public Buildings ..	624,998.28	95,559.75
War Department—		
Military .....	1,670,573.88	3,252,541.85
Civilian .....	165,410.00	81,800.00
Rivers and Harb..	515,735.77	1,129,702.30
Dept. of Justice.....	630,035.70	237,891.71
Post Office Dept.—		
Not includ. "Postal		
Service" .....	115,100.00	.....
Postal Deficiencies .....	.....	.....
Navy Department—		
Naval .....	2,802,443.52	2,437,988.18
Civilian .....	71,880.00	5,000.00
Interior Dept.—		
Exclud. "Pensions"		
and "Indians" ..	2,808,108.33	2,816,987.89
Pensions .....	4,101,013.03	4,542,854.85
Indians .....	132,574.90	90,880.30
Dept. of Agric.....	679,731.46	411,097.52
Dept. of Commerce..	78,221.58	24.16
Dept. of Labor.....	9,000.00	.....
Independent Offices		
and Commissions..	114,087.97	143,627.93
District of Columbia.	571,695.23	641,745.79
Interest on the Pub-		
lic Debt.....	37,077.88	131,992.62

Total Pay Warrants		
Drawn .....	\$16,319,017.94	\$17,073,800.96
Less Unexpended		
Balances Repaid..	352,139.84	530,994.41

Total Pay Warrants		
(net) .....	\$15,966,878.10	\$16,542,806.55

Excess of Pay War-		
rants (deficit) ..	\$4,971,438.39	\$4,233,305.38

The Panama expenditures and receipts are separately stated, as extraordinary expenditures, along with public debt expenditures and receipts. The daily Treasury statement does not give the postal savings business or total of deposits as part of the Government's liabilities, but it will show currently just how the public is transferring postal savings deposits into postal savings bonds.

	This Fiscal Year	Last Fiscal Year
Public Debt Receipts:		
Deposited to Retire		
Nat. Bank Notes..	\$274,040.00	\$558,500.00
Proceeds of Postal		
Savings Bonds....	1,116,880.00	854,860.00
<b>Total Public Debt Re-</b>	<b>\$1,390,920.00</b>	<b>\$1,413,360.00</b>

Public Debt Payments:		
National Bank Notes		
Retired .....	\$580,252.50	\$1,171,305.50
Bonds, Certificates,		
and Notes Paid...	1,090.00	21,175.00

Total Retirements...	\$581,342.50	\$1,192,480.50
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Panama Canal Pay-		
ments:		
Pay Warrants for		
Construction, &c..	1,000,000.25	1,004,682.60

Total Debt and Canal		
Pay Warrants ....	\$1,581,342.75	\$2,197,163.10

Excess of Debt and		
Panama Pay War-		
rants .....	\$190,422.75	\$783,803.10

Net Excess of All		
Pay Warrants....	\$5,161,861.14	\$5,017,108.48

## Canada's Retort

*Defense of an Economic Position Which Has Been Much Criticised by Neighbors—Admissions Qualified by the Enthusiasm of a New Country for Its Future*

AN interesting discussion among Canadians of the economic position of their country, relating particularly to her immense consumption of imports bought on credit, has followed the publication of a study of the unprecedented situation there that was printed in *THE ANNALIST* on May 12. Fred R. Macaulay, in that article, said that no nation, whether in time of peace or of war, had ever so rapidly expanded its adverse trade balance. *THE ANNALIST* has received, since that publication, many communications, pro and con, about the Canadian situation. There have come to hand, also, reports of public utterances by leading Canadians on the subject.

In a general way, a somewhat strained position in credits is admitted by these Canadians, but by common consent they declare that the growing imports to which attention was called are imports of capital goods to be used in further development of Canadian resources, and that these do not reflect upon Canada's business and financial soundness.

Prof. James Mayor, head of the Department of Political Science in the University of Toronto, in a long statement printed in Canadian papers says:

"A writer in *THE NEW YORK TIMES ANNALIST* contributes a somewhat sensational article upon what he calls 'The startling economic position of Canada.' He remarks that the excess of imports over exports in Canada, including specie, has been increasing during recent years by leaps and bounds. That this remarkable movement is worthy of serious attention cannot be doubted, but that in itself it affords cause for alarm cannot be admitted. Analysis of the imports shows conclusively, to my mind, that they consist of material for railway and other building construction to the largest extent and to articles for luxurious consumption to a relatively small extent. The loans which have been effected in England have entered the country chiefly in the form of goods from the United States, and if the analysis before mentioned is correct, these goods have predominantly been used for purposes of development.

Again, if a country has had, as Canada has had, a period of very active constructional development, and has had the advantage of the importation of external capital. The utilization of this capital involves the investment of capital in numerous subsidiary enterprises, which are dependent upon the continuance of the external supplies of capital. Thus any check from whatever cause to the supply of capital from abroad must affect such enterprises almost immediately.

It must be realized, so far as this country is concerned, that the amount of investment of English capital which it has been fortunate enough to secure within the past five years, forms actually a very large proportion—not less than 20 per cent. of the total amount of English capital applied for by the world. We are thus now thoroughly drawn into the network of international finance and we must suffer the disadvantages as well as enjoying the advantages of it. The situation in Europe has undoubtedly cleared, and with the passing of the tariff in the United States the situation there will soon be cleared also. Readjustment of the values of real estate in the urban centres in the Northwest will undoubtedly have to take place before complete confidence in that region can be established.

### WHAT MR. HILL THINKS

James J. Hill, although a citizen of the United States, has so many interests in the Dominion as to be fairly classified as a "near-Canadian." He is quoted this week in a Toronto newspaper as saying, about Canadian business:

"I do think that this country has been borrowing a little too freely. You see, the boys have been

a little too ambitious and the Western municipalities have been going ahead somewhat rapidly. These municipalities sell a large amount of securities, and if the buyers want to sell back here, and there are no buyers, they will say, 'What have we purchased?' They might want to realize at times, and if they found no market the effect on the country generally would be unfortunate to say the least."

Speaking of the progress of Canada in the way of building railways, Mr. Hill said that the Dominion has about enough mileage at the present time for 8,000,000 people to support, and the veteran railway builder and operator indulged in a mental calculation and reached the conclusion that Canada has now more miles of railway, according to population, than the United States, and although he had no advice to offer, he intimated that it would be better to go slowly, although he admitted that the country is filling up very nicely.

"What is your opinion as to the policy of the Federal Government subsidizing railways in this country?"

"I cannot say that it is a wise one," he replied, "as it causes lines to be built that will not pay for a long time to come."

### EXPLANATIONS

S. R. Tarr of Winnipeg, delivering an address before a convention of credit-men a few weeks ago, said:

Passing from the borrowings and spendings of the West to those of Canada as a whole, we are brought face to face with the fact that last year there were over \$5.00 worth of imports for every \$3.00 worth of exports in the country's trade total of about one billion dollars, which means considerably more than a quarter billion dollar excess of annual buying over selling. Disparity in amount between exports and imports is inevitable to rapid upbuilding of a new country. The construction of permanent works, railways and so forth, and the opening up of new agricultural areas give rise to an increasing demand for foreign goods. Croaking critics sometimes make the mistake of counting our borrowings twice. They mention the fact that there is an import excess of over a quarter billion dollars and also that Canada's annual borrowings run to around a quarter billion. They add these items to make a half billion—forgetting that the two items are in large measure equivalent statements of the one thing, since it is chiefly in the form of goods that borrowings abroad are brought into the country. More careful analysis of this matter than is usually given is highly desirable, if we are to know how we are heading.

A London critic a year ago spoke of the "alarming sum of \$572,000,000" as being the fifteen years' excess of Canada's imports over exports. According to *The Wall Street Journal*, in less than half that time—in the seven years ending with 1912—675,000 newcomers from the United States have brought over \$775,000,000 of tangible wealth into Canada.

In so far as our excess imports, paid for by borrowings, are utilized in developmental work (whether for railroad building, necessary civic works, manufacturing or business plants, housing newcomers, or for sustenance of labor engaged in developing the resources of a new land) they can legitimately be considered as capital expenditure. In such case excess imports do not constitute a real "dipping into capital" at all, but an expenditure on capital account, calling not for lump repayment but for continuous profitable returns in time to come. Here is the crux of the whole. It is not a question of whether Canada continues to import vastly more than it exports during the next few years; it is a question of whether such excess of imports is brought about through upbuilding a solid commercial and industrial fabric, or whether it reflects business extravagance and the spending of capital as though it were income.

Referring to Mr. Tarr's address as a "reasoned and logical" reply to the critics, W. M. Ramsay, head of the New York agency of the Merchants Bank of Canada, writes in a letter:

Prof. Macaulay draws his conclusions solely from the superficial figures afforded by the balance of Canada's trade, and takes no cognizance of the essential but invisible factors, although acknowledging that there can be "the continual favorable balance (of trade) of such a debtor nation as the United States. Mr. Tarr draws explicit attention to these other factors, which are

as surely vital to the whole question as the aggregate of exports and imports.

### LOOK AT THE UNITED STATES

A representative of the Canadian Bank of Commerce writes from one of the principal branch offices in Canada somewhat tartly and with a disposition to say "You are no better":

It looks to me very much as if conditions in Canada are no different from what they are elsewhere, and the only real cause that Canada has for worrying is the world-wide financial stringency, which, it seems to me, is felt as much in the United States, New York especially, as elsewhere. In this connection I inclose you a clipping from yesterday's press in regard to American investors having lost their nerve, and would refer you to the leading editorial in *The Commercial West* of Minneapolis of the 7th June, and quote you, if you have not the paper with you, a few lines from the opening remarks of the editorial:

"While it may be relatively true that 'Wall Street hasn't a friend west of the Alleghany Mountains,' the fact cannot be disregarded by the rest of the country that Wall Street is an important factor in the economics life of the country. That is, Wall Street—which naturally includes the stock market—is the central market of the country for the securities of the railroads and great industrial corporations. On the other hand, Wall Street is now paying the price of forgetting that the Stock Exchange needs the country more than the country needs the Stock Exchange."

In fact, the whole editorial seems to me to be very interesting from our point of view as revealing conditions in your country.

We would also refer you to the same issue of *The Commercial West*, Page 10, "Caution to Bankers," by Joseph T. Talbert, Vice President National City Bank, New York, and on Page 13, the same issue, the address by R. VanVechten, Vice President of the Continental and Commercial National Bank, Chicago, and at the bottom of Page 13, on the left-hand margin, is a sum-up by a Chicago banker. From my observation, I would say that Canadian banks are in very much the same position now, have been for some time, and no doubt intend to remain so.

Banks in Canada, as you know, have opportunities of seeing these things coming and have taken a decided stand in ample time to prevent financial panics and overspeculation. If one can judge from reports in the papers, it would appear that yesterday's market in New York indicated that conditions there were not too good, and it seems to us that the difficulty lies in the attitude of the Continental banks, especially in Germany, in selling a great number of American securities.

Taking all in all, I would say that, generally, conditions are better to-day in Canada than they were three months ago, the banks are in strong positions and have their houses clean and in order.

### EDITORIAL OPTIMISM

The Financial Post of Canada recently diagnosed business conditions in the Dominion thus:

Although security markets and real estate trading have practically come to a standstill, there are no parallel conditions in ordinary commercial transactions. Business is proceeding normally, with the exception that collections are slightly below normal. In the West both private people and tradespeople are finding difficulty in making their payments, and in consequence some of the jobbers have had to ask for longer terms from manufacturers. This is occasioning some inconvenience, but it is not marked, and those with the least complaint to make are the manufacturers themselves, as indicated by the address recently made by A. R. Clarke, Chairman of the Toronto section of the Manufacturers' Association. Mr. Clarke advised care in capital expenditure, which at this juncture is sound advice. He said: "Nothing is further from my mind than to sound a discordant note, nor do I want to be classified as a panic-monger, but I would like to suggest to you as manufacturers the necessity of restricting your business operations to a proper relationship to the capital invested over which you have control. It is a dangerous practice to embark upon more or less permanent undertakings upon the basis of money borrowed for shorter periods than the lifetime of the undertaking itself."

The Monetary Times of Canada says:

The Canadian situation needs no alarmist reports from New York, or even the sympathy of well-wishers. Canada is passing through the present year with the economic brakes slightly applied and can afford to take the breathing spell. Perhaps, too, a little time will be devoted to reflection as to how the country will economize when money again becomes plentiful.



## You Can Insure Your Insurance

### The New "Total Disability" Clause Written Into Policies for a Small Payment Addi- tional to the Regular Premium.

What would you do if you could not pay the premiums on your life insurance because you were totally disabled from earning a living? A policy with most companies would permit of three alternatives: either a cash payment would be made by the company, or upon option a paid-up life policy for a much less amount than the original policy could be obtained, or the original policy could be extended for a limited time after payment of the last premium, unimpaired, and during that time good for full value to beneficiaries, to lapse entirely at the end of the period. This latter course is what usually occurs in cases of policies written since 1907 when they lapse and the company is not notified. It permits the policy to run for a given length of time and then wipes it off the books.

Some companies do it in a little different way, contracting that, for a certain period, the policy shall remain in force, but with premiums plus interest steadily deducted from the final value of payment in case of death. There is still another way out. A man may borrow, year after year, on his policy and thus keep it alive. But in all these cases it is probably at a great cost in the way of deduction from the insurance as finally paid to his survivors.

A new thing in life insurance that has just been announced by the Equitable Life Assurance Society is the "waiver of premium in the event of permanent total disability" which it will write into any of its policies, new or old, on payment of a trifling additional sum, so that a man may know that if by accident or sickness (including insanity) he should be so permanently disabled as to be unable to keep up his premium payments, without dying immediately, his family will still be provided for to the full amount he first insured for.

#### ALL COMPANIES WRITE IT

Almost all insurance companies now furnish this waiver at a very slight additional expense. In some of the large companies most of the policy holders have taken out this additional insurance. In other large companies the policy holders have been discouraged from doing so on the ground that they would not be securing sufficient additional security to pay for even the slightly greater expense incurred. Companies that put this construction on the idea admit that they have employed the total disability clause only on account of the competition of other companies.

Total disability, in general, is not defined in these waivers except as to a few specific points. Most of the policies contain a clause like the following, which appears in the contract of one of the largest companies: "Without prejudice to any other cause of disability, the entire and irrecoverable loss of the sight of both eyes, or the severance of both hands at or above the wrists, or of both feet at or above the ankles, or of one entire hand and one entire foot, will be considered as total and permanent disability within the meaning of this provision, and the company upon satisfactory proof of such loss or severance will waive the premiums thereafter becoming due under the policy." A case of insanity in which the policy holder becomes, on that account, incompetent is also considered to fall within the meaning of the clause.

Statistics compiled from the experience of the Order of Maccabees show that out of 92,637 insurable lives at the age of 20 about three and one-third per cent. will have become totally disabled by the age of 60. At the age of 60 the total disability clause now being written becomes void, just as the average danger of disability becomes imminent.

#### ADDED COST

The added cost of "insuring your insurance" is so small, however, that it appeals to the holder of a life policy whose first thought is to make as certain as he can the payment of the insurance benefits to his family. On an ordinary life policy the additional charge upon \$1,000 of insurance is only 35 cents. On a ten-payment life policy it is 18 cents. On a twenty-payment policy it is 24 cents. On a ten-year endowment policy the cost is 26 cents. On the twenty-year policy it is 29 cents. The smallness of these amounts is obviously the measure of the likelihood, in the actuaries' estimates, of the "average man's" becoming totally disabled. But the possibility of accidents alone would seem to make the new insurance worth buying at the price.

Under ordinary policy contracts now insurance

is automatically extended when the insured person fails to pay his premiums, as follows:

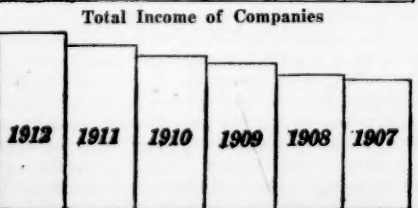
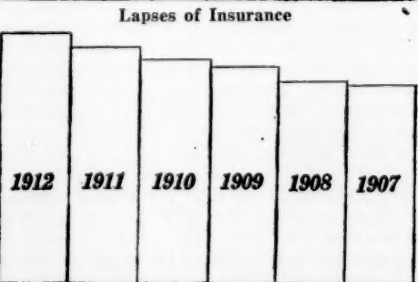
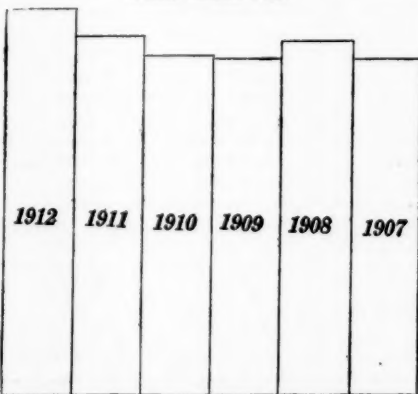
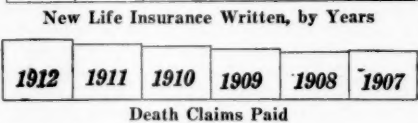
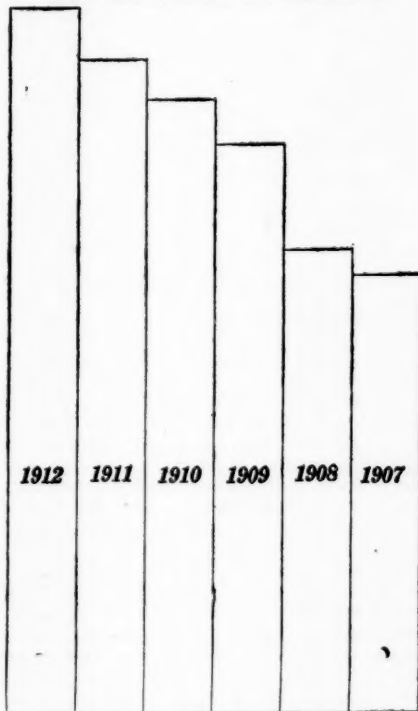
His policy will be payable in full, according to his age when insured, for

If he has	ing to his age when insured, for
paid for (at 25 yrs.)	(at 35 yrs.) (at 45 yrs.)
Three yrs..	2 yrs.9 mos. 3 yrs.7 mos. 4 yrs.0 mos.
Five yrs..	4 yrs.9 mos. 6 yrs.4 mos. 6 yrs.7 mos.
Ten yrs..	12 yrs.8 mos. 13 yrs.0 mos. 10 yrs.7 mos.

At the end of the extended time the policy is, of course, worthless. Death within the period brings full payment to beneficiaries.

There are several conditions under which the new total disability clause will not be written. Where the insurance is in excess of \$100,000, or in some companies \$50,000, where the risk is on the life of a woman, where the insurance is on the term plan, or when the age of the insured is rated up for any reason, the clause may not be included in the contract.

### Life Insurance in America



### LAW'S STERN PROTECTION

#### Business Should Keep Close to Law, Even if It Seems Sometimes Rigorous

ELBERT H. GARY.

\*Not long since I was crossing the street at a corner where the traffic was very heavy, where the street was very wide, where many rapidly moving automobiles were passing to and fro, so that the danger to a pedestrian was considerable. In the middle of the street I noticed a big policeman. In front of him, almost in his arms, was a little boy about seven or eight years old, on roller skates, who had been trying to make his way down the street and had become somewhat confused by the numerous automobiles and was in danger of being run over. This big policeman, seeing the situation, caught the lad in his arms and held him there until the vehicles had passed out of the way. Then the little fellow was allowed to cross the street and reached the sidewalk perfectly safe and sound. There was an illustration of the majesty and the humanity of the law.

However weak or strong we may be, however great our difficulties, whatever the controversies of the day, I would have you feel that after all, in the long run, the courts will see that substantial justice is done to all of us, rich or poor, strong or weak. More than that no man should ask; all of that every one has the right to expect and demand.

Let us never get away from the courts. Let us make it certain we ourselves are doing about the right thing. Let no member of the institute be justly accused of intentionally antagonizing or violating the laws of the country, because all of us must finally appeal to them for protection.

We have the right to discuss openly the questions which are pending in the Congress of the United States or in any other legislative body. We have the right even to criticize the law after it has been passed and to insist that it ought to be modified or repealed. But when any proposal becomes a law, and until that law is repealed or changed, while it is the law of the land, let us, gentlemen, members of this institute, always obey the law and do everything we can to see that it is fairly and justly and fully administered.

The President of the United States recently said that honest business need not be afraid. Let us take him at his word. Let us assume he means exactly what he says. Let us be honest. Let us do the right thing, the fair thing, the just thing, by every one we come in contact with and all who are interested in our deliberations and in our decisions.

\*From an address before the American Iron and Steel Institute.

### STATISTICS OF LIFE INSURANCE

#### Significant Totals of the Business of Forty Big Companies in the United States

The Insurance Department of New York publishes aggregates showing the business of the life insurance companies that write policies in the State—practically all the life insurance business in the country. Totals for 1912 are charted here, compared with previous years, the amounts being given below:

	Total Assets.	Bonds and Stocks.	Policy Loans.
1912.....	\$4,137,121,014	\$1,016,044,517	\$325,580,086
1911.....	3,919,151,218	1,844,388,404	482,345,188
1910.....	3,665,630,535	1,746,065,734	441,396,406
1909.....	3,467,065,192	1,724,417,411	396,993,588
1908.....	3,199,396,796	1,579,939,055	362,029,417
1907.....	2,918,287,202	1,385,440,461	306,576,652

	Total Premiums.	First Year Premiums.	Total Income.
1912.....	\$597,410,670	\$53,769,373	\$795,523,196
1911.....	564,933,164	48,914,649	754,639,988
1910.....	533,060,996	44,814,755	716,504,706
1909.....	512,166,198	40,553,048	691,059,558
1908.....	491,905,195	43,857,094	640,225,460
1907.....	485,707,458	43,258,609	628,026,131

	Total Insurance.	Terminated by Death.	Lapses, &c.
1912.....	\$16,977,237,758	\$191,506,880	\$1,223,609,270
1911.....	15,131,416,318	180,395,949	1,135,203,063
1910.....	13,863,445,628	170,026,775	1,076,877,635
1909.....	13,182,622,941	162,545,089	1,008,737,845
1908.....	12,703,477,681	152,779,143	1,123,973,505
1907.....	12,773,718,974	154,810,464	1,062,360,803

	Issued During Year.	Endowments Paid.	Total Disbursements.
1912.....	\$2,252,272,397	\$50,476,761	\$567,005,342
1911.....	2,082,832,326	44,769,373	526,823,820
1910.....	1,953,727,600	44,032,901	495,177,402
1909.....	1,807,305,052	39,615,638	473,718,553
1908.....	1,471,498,334	33,271,128	434,041,741
1907.....	1,393,580,587	32,184,187	420,307,151

## Rehabilitation of the Erie Railroad

**It Is No Longer a Lame Duck Among the Railroads, Though It Has To Carry a Burden Out of the Past**

In October, when the big job of moving the grain crops will come upon the railroads, the Erie will be a double-track railroad from Chicago to New York. It will have five thousand more cars and fifty more locomotives than it has to-day—and before this Erie's equipment has been growing. "A bigger job than the Panama Canal," is what Erie's great work of regrading, cutting through hills, and filling across valleys in making straight its way from Chicago to the seaboard has been called. It is a new Erie.

Few railroads during the past decade can show such good results as Erie. It is not so long ago that the earnings of this road were dependent to a considerable extent upon the surplus traffic of its wealthy neighbors. To-day, with grades reduced, curves straightened, roadbed and equipment brought up to modern standards, and double track in use a third of the way to Chicago, Erie is able to compete with those neighbors for its share of the business and to get it too.

### IN HALF A DOZEN YEARS

The most substantial progress toward better conditions has taken place during the last half dozen years. Several very important and extensive improvements have been brought to a successful conclusion during this period which have added greatly to the efficiency of the company's service.

The fiscal year ended June 30, 1908, saw Erie's earnings and finances at a low ebb. During that year the road failed to earn its fixed charges and narrowly escaped receivership. Gross earnings in 1908 totaled \$49,784,236. Operating expenses consumed \$39,920,161, or 80.19 per cent. of gross. Total net income, after deducting taxes of \$1,111,535 and adding other income amounting to \$2,906,498, was \$11,669,038. Fixed charges of \$13,292,461 not only entirely consumed this balance, but left a deficit of \$1,623,423 besides.

Contrast the above figures with those reported for 1912. In the latter year gross earnings had mounted to \$56,492,370, an increase of \$6,708,134, or 13.5 per cent. Operating expenses were \$40,690,927, an increase of but \$770,766, or 1.9 per cent., while the ratio of operating expenses to gross earnings was 72.03 per cent. The other items follow: Taxes, \$1,817,326; other income, \$4,745,439; total income, \$18,729,556; fixed charges, \$15,352,353; surplus, \$3,377,203. The following table gives the most important mileage and traffic statistics as compiled from the annual reports of the company over the five-year period 1908 to 1912 inclusive:

### AN ERIE EXHIBIT

Year	Miles	Miles	Revenue	Freight	Passen-
June	1st	2nd		density.	density.
30	track.	track.	miles.		
1908	2,171	822	21,920,723	2,007,892	231,576
1909	2,331	884	22,506,792	2,033,283	267,732
1910	2,227	884	22,728,003	2,880,437	281,859
1911	2,265	932	22,900,132	3,013,503	276,748
1912	2,258	983	23,016,001	3,021,359	270,836
Year	Average	Average	rate	Average	Average
June	freight	Per	Per	Per	Per
30	train load.	passenger.	ton.	passenger.	ton.
	Tons.	Cents.	Cents.	Miles.	Miles.
1908	464	1.48	0.600	27.9	108.3
1909	469	1.49	0.586	25.2	103.2
1910	495	1.51	0.569	24.8	105.5
1911	521	1.57	0.585	24.6	101.7
1912	527	1.57	0.583	23.3	104.6

The foregoing table shows the steady improvement in operating conditions that has taken place during the five-year period. The increase in first track mileage of 87 miles and in second track of 141 miles represents principally the construction of new low-grade lines less certain realignments due to the improvement of existing mileage and to the abandonment of a few miles of road. The construction of the low-grade lines, together with improvements in and near Jersey City, has had a direct bearing on the increased train load and the heavier volume of business of the company in 1912 as compared with 1908. During the five years 144 miles of track in addition to the first and second track mileage above noted have been added, the figures being 1,555 miles in 1908 and 1,699 miles in 1912. The improvements and additions made to the company's road and equipment during this period represent an expenditure of about \$21,000,000, of which over \$3,600,000 were charged to income.

### A HIGHER FREIGHT PROPORTION

The table shows a very gratifying increase in train load, train mileage and freight density. The last named item is the number of tons of freight hauled one mile per mile of road and represents

the volume of business handled during the year. The longer haul indicates an increasing amount of through business, particularly as the actual number of tons carried has shown some decrease during the past three years, while at the same time ton miles have increased.

In the following table the earnings of the company are given for five years on a train mile basis. These figures are especially valuable when comparing the earning power and efficiency of operation of different properties. It is obvious that a railroad operating, say, four tracks can handle a much heavier business than a two-track or a single-track road. It follows that a road in the first-named class will naturally show much larger total earnings and earnings per mile of road operated, and also heavier train mileage, than properties having fewer main tracks. Therefore, if the figures reported in the income account be divided by the revenue train mileage, much more accurate results will be obtained as a basis for comparison.

Year June 30.	1908.	1909.	1910.	1911.	1912.
Gross revenue	\$2,1325	\$2,1027	\$2,2804	\$2,3440	\$2,3334
EXPENSES:					
Maintenance way	\$2697	\$1873	\$2296	\$2491	\$2576
Maint. equip.	4860	4270	4100	3962	4176
Transporta. exp.	8117	7353	7686	8043	8499
Traf. & gen. ex.	6063	6072	1037	1088	1129
Total expenses	\$1,6637	\$1,4468	\$1,5159	\$1,5614	\$1,6380
Net revenue	\$4,688	\$6,559	\$7,645	\$7,826	\$6,954
Other income	1142	1487	1803	1641	2378
Total income	\$5,830	\$8,046	\$9,448	\$9,467	\$9,332
Int. ren., taxes	6571	6742	6894	7119	7798
Surplus or deficit	\$1,0741	\$1,304	\$2,554	\$2,348	\$1,534

### PROGRESSIVE TREND

The trend of the figures in the above table, while varying in some instances from that of the total amounts given in the annual reports, nevertheless shows very clearly the progress that has been made during the past five years. The 1908 exhibit indicates that the physical condition of the property was not of the best. Heavy expenses for maintenance were necessary and transportation costs were high. In 1909 and succeeding years the management was able to maintain the property at a high standard but at relatively lower cost owing to greatly increased efficiency. The effect of the higher standards set for maintenance was immediately felt in lower transportation costs, but it will be noted that in spite of this transportation expenses show marked increases in 1911 and 1912. These increases were due almost entirely to higher wages paid to employees, and to advance in cost of fuel. Transportation costs in 1908 consumed 38.1 per cent. of gross revenue. By 1912 this ratio had been reduced to 36.4 per cent. in the face of the increases above noted.

The item "other income" shows a gratifying increase. In this account interest and dividends on stocks and bonds owned or controlled increased nearly \$2,000,000 in the five years to June 30, 1912, and it is stated that this item for the current fiscal year will show a very heavy increase over 1912. The valuable coal properties owned by the Erie are large contributors to the company's income account. The increase in fixed charges is due largely to the issuance from time to time of short term obligations aggregating some \$30,000,000, the proceeds of which have been put back into the property with very beneficial results. The current fiscal year now drawing to a close promises to be the best in the history of the company.

### COMPARED WITH OTHER ROADS

Compared with the Pennsylvania and the New York Central on a train mile basis, the Erie makes a very creditable showing. Averaging the figures of the five years, 1908 to 1912, inclusive, the Pennsylvania's results are: Gross, \$2.77; expenses, \$1.98; net, \$0.79; Erie's figures are: Gross, \$2.24; expenses, \$1.57; net, \$0.67, while New York Central shows: Gross, \$2.06; expenses, \$1.50; net, \$0.56. The average results according to the above place the Erie ahead of the New York Central and not far below the Pennsylvania.

Erie has already been handicapped by excessive capitalization. The bonded debt per mile is considerably heavier than that of either the Pennsylvania or New York Central without the superior trackage facilities possessed by the last two companies. Upon the completion of the improvements now under way, which it is expected will be accomplished before the end of the current year, Erie will be double tracked from Jersey City to Chicago, with grades as favorable as those of any competitor. With the improved facilities, it is expected that gross business will be increased by at least \$10,000,000 a year, half of which should be saved for net. Under its exceptionally efficient management the new Erie should be able to carry its heavy capitalization more easily with each succeeding year.

## The Kuhn System; How They Built It.

**Clerks in a Pennsylvania Town Only a Few Years Ago, They Hope Still to Keep Intact Their \$175,000,000 Combination**

*Special Correspondence of THE ANNALIST*

PITTSBURGH, Penn., July 12.—Only a few years ago "Jim" and "Will" Kuhn were clerks in a McKeesport bank. During the "money trust" investigation in March it was stated that the Kuhn interests represented \$175,000,000 in round figures. The rise of James S. and William S. Kuhn, brothers, is an interesting chapter in the financial history and the industrial and agricultural development of the country, and their friends and associates declare that they will be able to retrieve themselves from their present situation.

J. S. and W. S. Kuhn first exhibited their financial genius in securing control of the First National Bank of McKeesport, and they made their next important step by coming to Pittsburgh and gaining control of the Pittsburgh Bank for Savings, one of the city's oldest institutions. After that their advancement was rapid. When the crash of the First-Second National came last week their interests extended into many fields, including banking, coal mining, electric traction, light and power, irrigation, hydro-electric development, agriculture, with operating companies scattered from the Atlantic to the Pacific.

While their interests are thus diversified, the companies controlled by them are brought into close relation to each other by means of the American Water Works and Guarantee Company. This company was used in building up the extensive group of enterprises.

### IN EIGHT BANKS

There are eight banks in Pittsburgh that are controlled by the Kuhns, or in which one or the other was director or officer. These eight banks, according to their most recent statements, held deposits aggregating about \$75,000,000, their total capital being \$9,250,000, and their surplus and profits about the same amount. The First National of McKeesport was compelled to suspend when the First-Second closed its doors, but the other institutions remained open. There was a sensational and spectacular run on the Pittsburgh Bank for Savings. This institution is capitalized at \$600,000, with surplus and profits of \$514,567, and deposits of \$17,669,000. As nearly all the deposits were placed under special contract in order to draw 4 per cent. interest, the depositors could not withdraw their money without giving notice. A long line of depositors stood before the bank for three days, but with only a few tellers to serve them, a very small number reached the banking room on the first two days. By the third day, many grew tired waiting and others decided that since the bank was still open their suspicions had been poorly founded. So the line of anxious depositors dwindled until the ordinary number was about. On the first two days, mounted police and officers on foot were necessary to control the crowd and the streets were roped off. Depositors spent the days in line, taking their luncheons with them.

### THE ORGANIZATION

The Kuhns had a most complete organization to serve them. J. S. & W. S. Kuhn, Inc., as a bond house, handled all securities issued by the Kuhn companies. As new companies were formed the American Water Works and Guarantee Company financed them. This company had its inception in 1882 as an individual partnership, and was incorporated in 1886 with a capital of \$500,000. Its capital was steadily increased, and only recently \$10,000,000 preferred stock was issued and sold in this country and Europe at only a little under par. The company now has outstanding \$10,000,000 common and \$10,000,000 preferred stock. Originally, it was engaged in the water works business, acquiring plants all over the country and guaranteeing their bonds. Later it entered into the same relations with irrigation, hydro-electric, electric railway, and other companies formed and promoted by the Kuhns. The report issued under date of May 1 showed that the company held stocks of subsidiary companies with a par value of \$46,481,050, which were carried at \$10,433,362 among its assets. It has been through this company acquiring stocks and guaranteeing issues of bonds that the Kuhns have extended their interests so greatly.

J. S. & W. S. Kuhn, Inc., dealt directly with large and small investors. Many of their bonds are issued in denominations of \$100 to suit the convenience of small investors.



## Fair Barometer in the Middle West

**Business Quiet, but Apparently Tending Upward—The Farmers Will Ask Less Cash to Move Their Crops**

*Special Correspondence of THE ANNALIST*  
CHICAGO, July 11.—Business barometers point to "fair." Bank clearings here are the smallest of the year, but their percentage of increase is the largest since January. Mail order business makes a similar exhibit, the ratio of gain for the dull period just begun being much the largest of this year. Leading dry goods houses report more sales in store and on road for immediate and early absorption than a year ago. Mercantile distribution in general has fallen off as much as usual at mid-Summer, perhaps somewhat more than usual, and curtailment in some manufacturing lines is more than seasonal, presumably on account of tariff revision. Apart from the slender margin of profits, the character of trade was never better, all activities in production, conversion and absorption representing what the people need, or think they need, from day to day, and what they feel able to buy. Collections are not far from normal. Commodity prices retain their downward slant with less suggestion of a perpendicular descent than they revealed a few weeks ago. Money is a trifle easier beneath the surface.

### RECORD FREIGHT LOADING

Freight loadings of forest, mine, and soil products were never before at this period so heavy. Total Western loading for June increased around 5 per cent., the returns by leading systems ranging from 2 per cent. to 11 per cent. more than those of the previous June. General travel is heavier, Summer resort and holiday outing business the heaviest ever handled here. The traffic trend, however, is still downward and there may be some decreases in earnings before the new fiscal year gets fairly started. The railroads are better able to move another big crop and if it were not for the payroll their ratio of net to gross should be higher, at least until Winter, when the weather will determine the performance.

July settlements were routine, the only visual effect having been an upturn of one-quarter of 1 per cent. or more in money rates, which some leading banks quoted at 6¼ to 6½ per cent. for five and six months, with 6 per cent. minimum in many banks. Only preferred names and maturities get money for less than 6 per cent. Merchants and manufacturers take all they can get without whining about the terms. Commercial paper brokers are of the same opinion as bankers in regard to the future. They look for improvement in their own business soon. Thus far this season the country banks have done nearly all of the buying.

### INDEPENDENCE

The banking West can do relatively more than its usual share of financing the new crops this year. Reports to the Controller of the Currency do not tell the whole story. The country bank understands its duty, and the farmer has faith in it. Each year a larger proportion of rural transactions is done by check, and otherwise the West becomes less dependent upon the East for funds. Currency movements prove that.

June currency shipments were \$3,200,000 less than a year ago, the shipments for six months combined having been \$77,000,000, or nearly as much as last year, when a high record was scored by a margin of more than \$20,000,000, and the net loss for June was much less than half as much as a year ago, the net loss for the six months combined having been \$7,000,000, compared with \$24,000,000 a year ago. There has been received this year from the East only \$1,350,000, compared with the following amounts for corresponding periods: 1912, \$4,130,000; 1911, \$6,446,500; 1910, \$9,130,000. Last month's average rate of domestic exchange on New York was 23 cents premium per \$1,000, or 2 cents higher than a year ago, and the rate reached 50 premium, or the regular shipping rate, the end of June. The July currency movement is usually moderate. It will be late in August before the Northwest calls upon Chicago for heavy remittances. Currency shipments will be increasingly heavy from that time until October.

One would expect to find pessimism at South Chicago and Gary, where the steel mills grow, but it is not there. In spite of the sickness of pig iron and weakness of prices of some semi-finished products, the persistent decline in new business, notably in the railroad department, the uncertainty of railroad policies pending the result of wage and freight rate adjustments, and the menace of drastic reductions in the tariff, the steel managers doggedly reiterate confidence. Mills are running

at full capacity, and the books are full for months ahead, with a fair volume of miscellaneous new orders, just little ones, and circular prices are pretty well maintained and will be, the officials say, for many weeks. The basis of the steel industry's hope is agriculture, the needs of which are vast. The structural department at last, however, has begun to fall behind. Western fabricating shops last week booked less than 10,000 tons of steel shapes for commercial buildings and bridges. Railroads place little except some track fastenings. Not much more is expected of them until later this quarter.

The coal trade is steady. There has been heavy buying against labor and car crises, the lake coal tonnage being 20 per cent. more this season than last. Consumption of steam sizes continues immense, but gives evidences of early relaxation, so there should be no serious fuel famine next Winter unless terrific weather overtakes the carriers, as it assuredly would. Coal trade opinion is that big concerns do most of the fretting over tariff changes and trust-busting, while there is stoical, or stupid, indifference outside of banking circles to the Currency bill. Smaller concerns are influenced much more by crop prospects. There is no doubt, however, that more stability and sanity in political places would inspire more general confidence. It is the lack of those two things that keeps business opinion so mixed and business itself so ragged at the edges.

### PROPERTY RISK IN MEXICO

**In London People Can Insure Themselves Against Riot Loss by Paying for It**

*Special Correspondence of THE ANNALIST*

LONDON, July 4.—The long expected Mexican Government issue is out at last and London is subscribing for nearly one and a half million sterling. At the time of writing we do not know what the result has been, but if the bonds after a day or two stand at the price of issue the government and even more, the underwriters, will have good reason for satisfaction. Quite apart from the general monetary tightness the issuing house has had to face great difficulties, not the least of which is the absence of reliable information. For some reason Mexico, in which so much European capital has been invested, is the most difficult place on earth to get good news from, and it has been a pathetic sight in the last two or three months to watch people who went into National of Mexico Preference at over 30 going round trying to pick up scraps of information about the state of the country and the position of the rebel and Government forces. The feeling in London is that the fighting has been more fierce and more dangerous to the existing order than we believed three or six months ago, but whether this feeling has been encouraged by bears who must have done uncommonly well lately out of Mexican securities, is a point that remains to be cleared up. Investors who have applied to Mexican officials in London have been given optimistic versions of the crisis, but, then, that is exactly what officials are paid for. Perhaps the most reliable test is the state of the insurance market, which really indicates pretty well the opinion of the man on the spot. When "riots and civil commotions" are in progress in any part of the world Lloyd's underwriters begin to get inquiries from people who want to cover their property against riot damage. As Lloyd's is about the only market for this kind of risk inquiries concentrate on Lloyd's underwriters, and they soon get a pretty shrewd idea of how things are going from the way their rates are accepted. At first they quote more or less in the dark, but if they find that they can fill their books early at the quoted rates they know at once that they are too low. In the case of Mexico, rates eighteen months ago were tolerably low, but the market filled so quickly that they rose with a bang and the risks became very difficult to place. For a time 5 guineas per cent. for twelve months was the prevailing rate even in the troubled areas, but that quotation long since went by the board. The market grew much narrower and now underwriters will only quote for risks in specially favorable places, the rate being as high as 5 guineas per cent. for six months. Owners of property in States where fighting has been going on all the time cannot insure at all, and some of the most influential underwriters will not touch Mexican risks. An English mining company which insured its machinery from the port to the mine has had its rate raised from 10s. per cent. to £2 per cent., though it is still possible to do small shipments at lower rates. We may judge from this that the English view of immediate prospects in Mexico is gloomy, but investors who apply for the bonds will be taking perhaps a larger view and building on the future.

## Strike of Underwriters Ends an Old Custom

**Brokers Were Under Agreement to Take Everything the Bankers Allotted Them, but Losses on All Issues of Late Caused an Upheaval**

*Special Correspondence of THE ANNALIST*

LONDON, July 4.—Perhaps the most interesting point in this week's finance has been the breakdown, or the temporary suppression, of the agreement made a month ago by financial underwriting groups when they decided not to help the issuing houses with any more loans. It was a very remarkable move and it has been remarkably successful, but to understand it one must remember that the old theory of underwriting has been completely discarded. Theoretically the man who has a new issue in hand takes the prospectus, goes around to a few friends and offers them a commission if they will undertake to come in for what the public does not want. The underwriter by the same theory looks at the prospectus, weighs its advantages and accepts or declines the commission. In practice the big financier has a regular list of underwriting syndicates, all more or less closely connected with the Stock Exchange, which agree to take up to a certain amount of any issue that the financier may be bringing out. He gives what in insurance circles would be known as a "cover"; he does not see the prospectus; he does not pick and choose; he is merely told that the loan is coming out and his share is so much.

Many Stock Exchange firms reckon to make quite a large amount every year by this means, and brokers with a moderate sized business may perhaps make \$3,000 or \$4,000 a year out of one man's underwriting. But it is a dangerous practice for the broker because his judgment is put out of action and good, bad and indifferent all have to be swallowed. Consequently when times are difficult and his clients little disposed to invest he may get enormous quantities of stock on hand, much larger quantities indeed than he would ever choose to carry and larger than he can with safety hold.

Hence the resolute attitude of underwriters in the past month. Under their standing agreements they had been loaded with masses of securities and their capital was extended to its fullest capacity. As a matter of course they had to take their share because they had really not been underwriting at all; they had been buying under agreement bigger quantities than they wanted at a price not below the market quotation. They are not running risks, but financing certain failures. That is where the new underwriting differs from the old.

### MANY BRITISH STRIKES

**In South Africa Miners Who Get \$5,000 a Year Are Fighting for More**

*Special Correspondence of THE ANNALIST*

LONDON, July 4.—We are living again in an atmosphere of strikes. In the Midlands the metal laborers have been out for over a month and are enduring great hardships rather than go back to work on their masters' terms; in Lancashire, marvelous to relate, the agricultural laborers are out on strike for 23s. per week wage; and in South Africa the white laborers on the Rand are striking against wages which amount in many cases to £1,000 a year.

Financial London is chiefly interested in this last strike which has upset the Kaffir market. Everybody has been anticipating a speedy end, but the trouble grows apparently more serious and the Van Ryn, the big producer of the Alba group, has shut down. There does not seem to be much danger at present of the gold shipments falling off so materially as to affect the money market, but if a mine like the Crown Mines had to stop work the output would certainly be affected. It is worth noting the fact that in the London insurance market strong inquiries have been made for policies to cover the risk of damage done by rioters and very large sums have already been paid in premiums though the majority of the mines have not yet decided to insure. The rate of premiums is based on 5s. per cent. per month on the property insured and, as the buildings and machinery of mines on the Rand are worth probably not less than £15,000,000, it will be seen that the additional expenses incurred through the strike are very heavy.

But the English strikes of the last three years have taught us that labor troubles do not easily kill trade prosperity and the decline in mining values is probably overdone. English investors and speculators are "off" mines for the time being and movements in prices are sentimental.

London  
Paris

## Foreign Correspondence

Berlin  
Amsterdam

ALL the European financial centres were buoyantly inclined at the close of the week, the best opinion forecasting a quick closing, that will last, in the Balkan hostilities. It was not so much the rise in prices of securities on the exchanges as the easing off in money rates, and other signs of the disposition to act on the assumption that times will now be better. In London, it is said to be expected that New York's market will lead a sharp rally.

## BERLIN NOW MORE CHEERFUL

## It Does Not Regard the Renewal of War as Serious, Foreseeing Early Peace

By Cable to THE ANNALIST

BERLIN, July 12.—Notwithstanding the renewal of the war in the Balkans, the market for securities on the Boerse showed considerable steadiness this week. Traders were evidently inclined to see reasons for a more optimistic attitude than they have seen lately. It is believed that the war will soon end through Russia's intermediation. The non-resistance of Bulgaria to Rumania and her anxious efforts to secure a suspension of hostilities were interpreted in Berlin as foreshadowing early peace. Berlin has also been encouraged to see those hopes shared by the other leading markets.

To-day's market had other encouraging things to keep up the courage. The good report from Hamburg of better shipping prospects, the check to the downward movement of iron prices in England and the further relaxation of local money rates were all factors causing a general rally. A good impression was also made, early in the week, by New York seeming to be so slightly affected by the Pittsburgh failures. These attracted much attention in Berlin, but hardly influenced the Boerse, our bankers having lost nothing by the trouble.

The following summarizes the results of the week's trading: Home loan issues held their own, most of the iron stocks gained, though a few lost; electricals showed advance, steamships were also strong. Canadian Pacific recovered strongly in the past two days but losses earlier in the week were not fully offset.

The improved political horoscope helped the tone of the money market, where rates showed further relaxation. This caused an increased demand for foreign exchange at rising prices. The improved monetary position brought up discussion of the probability of a reduction in the Reichsbank's rate, but cautious bankers do not expect this to happen, in view of the approach of Autumn and the demands for crop-moving purposes that are soon to come.

The June emigrant movement through Hamburg and Bremen gained 7 per cent. over 1912. New issues of stock by companies absorbed \$123,700,000 during the half-year against \$195,000,000 in the same time last year.

## CHANGEABLE MOODS IN PARIS

## Sharp Depression on the Bourse During the Opening Half of the Week Followed by Buoyancy

By Cable to THE ANNALIST

PARIS, July 12.—On Monday last came the announcement of a declaration of war in the Balkans, with Rumania hastening to mobilize, and, heedless of Austria's advice, preparing to invade Bulgaria. Meanwhile, Russian attempts at intercession were not accepted, and Austria refused to adhere to the French non-intervention proposal. Battles began raging in the Balkans.

Tuesday added to the anxiety. Russian industries approached the Russian half-year's end with numerous closings. Wednesday was even worse. Big selling orders came upon the Bourse,

particularly of Mexicans, finding no buyers, and the situation became almost panicky.

Thursday Bulgaria was reported crushed and Rumania on the march, but Russia renewed peace proposals and Bulgaria's request for an armistice suddenly turned the Bourse optimistic. The approach of a two-day holiday in which an armistice might be concluded brought about much covering by shorts and created a violent recovery throughout Friday, especially benefiting the securities of Mexico, the Balkans, and the Russian industries. Rio Tintos were especially weak on account of heavy American selling orders that were reported. Rentes recovered, Caisse departments and small investors being purchasers, while it was hinted that the securities might be supported, preparatory to the announcement of 30,000,000 francs of six-year exchequer bonds, an issue which the Budget Commission proposes, and 150,000,000 of French West African railway construction loans which the Chamber authorized this week.

The Budget Commission has rejected all the Finance Minister's tax proposals excepting the increase in the stamp tax on foreign securities, which is raised to 3 per cent., and a new tax on cinematograph films. The commission has invited the Finance Minister to submit a project doubling the tax on Stock Exchange operations.

The Chamber has approved the plan for three-year military service, the principal ways and means for which will be submitted on Tuesday by the Prime Minister.

Greece wants to borrow 40,000,000 francs on foreign loan sixes maturing in five years, privately approaching Paris to obtain the issue, which, so far, has not been granted. Also 40,000,000 drachmas in sixes, which was the advance made by the National Bank of Greece. Rumania has granted extensions of time in meeting engagements to all individuals who are taking part in mobilization. Continued stagnation weighs on the French banks that are most deeply interested in the Levant.

A French-Jewish financial interest is said to be fostering the creation of a Jewish bank to finance emigration, with branches in New York and St. Petersburg.

The money market is easier. Relief is anticipated from the New York shipments of gold bound to Paris. Discounts are 3%, daily rate 3 per cent.

The markets closed optimistic after the big fluctuations of the week. Hopeful comment in London was a good influence here.

## ANOTHER LOSS IN AMERICANS

## Some American Waterworks Preferred Stock Was Held in Paris

By Cable to THE ANNALIST

PARIS, July 12.—The receivership of the American Waterworks and Guarantee Company is sadly commented on here. Two and a half millions of the preferred were issued in Paris in 1912.

## LONDON MARKET ADVANCES

## With a Few Exceptions the List Rises—Money Is Easier and Plenty Is in Sight

By Cable to THE ANNALIST

LONDON, July 12.—A more confident spirit prevails here. A quick cessation of Balkan hostilities is expected as a result of the repulse of the Bulgarians. In his speech to bankers at the Mansion House, the Chancellor of the Exchequer said that a crisis foreseen is a crisis forestalled and that the financial portion of the country is wholly sound. The slowing down of liquidation from Paris of Brazilian and Mexican securities has helped the upward movement. This liquidation was attributed to the troubles of two small banks.

As a result of the improvement, the stock markets wind up the week firm with a general rise in prices that bear covering helped along.

The closing of the market for American stocks was firm because of expectation that a revival in the Wall Street market will follow the announcement of peace in the Balkans.

Kaffirs were somewhat depressed, an echo of the riots on the Rand. Argentine railroad securities were adversely affected. Rubber shares were still influenced by the disappointing Linggi dividend.

The discount rate weakened to 4½ through returning confidence in a sufficient supply of money and rumored imports of gold from Brazil. The prospect is that the money market will see a falling discount rate and abundant money to the end of the month. If it falls too rapidly and exchange weakens the Bank will probably borrow the market's surplus funds to maintain the discount rate. The prospects in the stock markets are fair for a rise due to bear covering after the slump, if only peace comes and there is no fresh political catastrophe.

## OUR AGRICULTURAL COMMISSION

## More About Its Reception in Paris and the Advantage of Adopting French Farm Credits

Special Correspondence of THE ANNALIST

PARIS, July 4.—As soon as their visit to Paris was announced, your agricultural delegates got a first-rate reception in France. The Board of Agriculture greeted them through M. Clementel, who, as Chairman of the Congress, presided over the opening meeting. He said that France was proud of having gradually reached a system of agricultural credit which fully answers to the country's needs, helping the hard-working husbandman toward ease and independence. In some provinces it had been instrumental to the salvation of small holdings and by cheapening the cost of money and spreading the adoption of modern methods had greatly assisted the workers' circumstances.

"I hope, gentlemen," added the Chairman, "that for your country's good you adopt some of our most effective methods." He said he knew that, just as in the case of plants taken to a climate that is not their own, it will be necessary to modify the methods of old Europe so as to tune them up to the "marvelous development of your bold civilization," but such adaptation would be easily achieved. He was convinced, moreover, that the Government of the United States, in its desire to find agricultural legislation suitable for a democracy, would give the preference to that which had sprung from democracy itself.

The United States Ambassador replied in a most suitable way, indorsing M. Clementel's wishes, and returning thanks.

The Congressmen, in small groups, have been traveling through France, from June 30 to July 4, so as to study on the spot the application of French agricultural laws.

The present moment would be most opportune for adopting in your country our French system. This, as you know, stands almost entirely on the funds freely provided by the Bank of France in part exchange for the institution's banknote monopoly. Your currency reform being, as it seems, open to small modifications, how would it be if among the burdens on the new banks it were added that they should provide, free of interest and as long as their charters lasted, a sum to be devoted to cheap agricultural credits? This, to be in proportion to the Bank of France's grant, would be well over \$100,000,000.

Legislation is a very good thing, but the agriculture credit law of France is eminently fit for a country very rich in money and with small needs. It is a kind of foreign plant that will take a good deal of trouble to adapt itself to North American agriculture.



## Heavy German War Tax Written Into the Law

**The Reichstag, Forgetting Old Party Policies, Adopts Measures That Will Burden German Industry and Trade as Never Before**

*Special Correspondence of THE ANNALIST*

BERLIN, June 30.—The Reichstag to-day enacted the most extensive tax laws, probably, that have ever been passed by any country in a time of peace, or without direct preparation for war—extraordinary taxes to collect \$240,000,000 within a period of three years, and permanent taxes to raise a yearly revenue of about \$45,000,000 to \$50,000,000. Additional troops to the number of 136,000 are to be recruited and become a permanent part of the standing army. The organization of the new men and supplying them with clothing, arms, barracks, horses, artillery, will call for a large initial expenditure. Then there are forts to be built on the frontiers, airship and aeroplane stations to be built and equipped, and various other unusual forms of expenditure to be met. All these costs are to be covered by the larger of the above sums.

It is quite a remarkable fact that any parliamentary body in the world could be brought to agree to such heavy military taxation in a time of peace, and do it by large majorities. Yet that is what the German Reichstag did to-day. The opposition to the increase of the army was confined almost exclusively to the Socialists, who took the ground that the increase of the army, instead of insuring peace, will make war all the more probable. But the Socialists, after showing their opposition to increasing the army, took care to help in shaping the finance bills according to their creed; and they actually voted for the principal ones of these.

It is significant that Germany had to resort to direct taxes to raise the big sums mentioned. It was felt from the start on all sides that no further increases in indirect taxes could be thought of. As for the tariff duties, it was recognized even by the protectionist parties themselves that the country already has about as much protection as the people can stand. Hence the Government, which only four years ago declared with energy that general property and income taxes belonged to the States, and that it would never agree to see the empire lay its hands upon them, has now agreed to both taxes under a bill proposed by itself.

### SHIFTING ATTITUDES

Other strange things happened.

The hottest fight in the financial legislation of 1909 was the inheritance tax, which the Buelow Government had proposed. It applied to direct heirs, including wives and husbands. The Conservatives were bitterly opposed to it, fearing that some future Socialist Reichstag might adopt practically confiscatory rates. Back of their opposition, too, lay the thought that the owners of great entailed estates (the marrow in the backbone of the Conservative Party) would have most onerous taxes to pay in taking them over from their fathers. The Clericals had stored up vengeance upon Buelow since his rupture with them in December, 1906; hence they threw aside the oft-repeated principles of their leaders and voted with the Conservatives against the inheritance tax. That finished Buelow.

To-day the scenes were shifted. The Clericals fell in line with the two Liberal parties and with the Socialists in passing over the heads of the Conservatives a law that embraces a tax on the inheritances of children. This law, which is to raise the bulk of the permanent revenues for the enlarged army, is a curiosity in the way of fiscal legislation. It is called the imperial increment tax law. This means that a tax is levied upon the annual increment to each taxpayer's wealth. It was originated by the Reichstag as a substitute for one of the Government's measures, which had proposed to levy upon the States for a large sum and permit them to raise it each in its own way. The members of the Reichstag, other than the Conservatives, felt that this would, to use one of Bismarck's happy expressions, make the empire an "outside boarder at the table of the Federal States," and they adopted instead a permanent direct tax of the kind described.

The Conservatives voted against this bill as being a breach of States' rights, and they lectured the Government sharply for having deserted its former position. The other permanent taxes embrace one making the State heir to intestate estates in cases where no near relatives are living, another diverting certain stamp taxes from the States to the empire, and then the sugar tax was

left in its present form, in place of being reduced to 10 marks per metric hundred-weight, as called for in a Reichstag resolution of 1909.

### THE TAX ITSELF

The \$240,000,000 already mentioned will be covered in the following way: A graduated general property tax will bring in about \$210,000,000, a graduated income tax \$19,000,000, and the rest will be obtained by taxing the property held in Germany by foreign companies and the assets of German companies in excess of the nominal amount of their capital. Property up to \$12,000 will be taxed at the rate of 15 mills, if the owner's income exceeds \$950, and up to \$24,000 at the same rate if it is less than \$475. From these figures the rate is graded upward till it reaches a maximum of 1.5 per cent. at fortunes of \$1,200,000. The income tax begins with \$2,400; then the rate is 1.2 per cent. up to \$3,600; between \$24,000 and \$48,000 it is 6 per cent., and it reaches 8 per cent. at \$120,000.

To get the full meaning of these taxes it must be remembered that they are supplementary to existing national and State taxes that are already high.

The Reichstag adopted, practically without discussion, the bill for establishing a second war chest of \$30,000,000 to be kept in the vaults of the Reichsbank, and for putting out an equal amount of fiat money. If the Government had put forward this measure at another time, when it could have been discussed upon its merits, it might have been rejected; but the members to-day did not think it worth while to strain at a gnat while swallowing a herd of camels.

### UNEARNED INCREMENT UNTAXED

The measures voted include the abolition of the stamp on bank checks, which was adopted in 1909. It was very disappointing in its revenue yield, and it was retarding the development of the use of checks by the smaller tradespeople. Another interesting abolition is that of the tax on the so-called "unearned increment" of land values adopted only about two years ago. As adopted the empire was to have half of the revenue from it, the city 40 per cent., and the State 10 per cent. The Reichstag voted to-day to leave the law in force so far as the cities and States are concerned, but to make no further collections under it for the empire. This action was taken in response to a widespread demand based upon an unusual prostration in the real estate and building trades, attributed to the law.

It is a striking fact that all these bills were adopted without any trace of enthusiasm. All the members of the Reichstag who supported them felt that it was a case of bitter necessity, a burden that must be shouldered in order to keep Germany strong for defense against attack.

### DUTCH BANK RAISES RATE

**After Having Kept Along with Paris in Holding Down Interest While Other Centres Advanced It**

*Special Correspondence of THE ANNALIST*

AMSTERDAM, June 30.—The assertion that the strain upon capital is the really depressing influence on the general situation has become evident here through the occurrences on our market this week. Up to the present our country had formed an exception as to the general tension noticeable on the chief money markets of the world. Since Sept. 30, 1911, when the bank rate was raised from 3 to 4 per cent., the official rate of discount here had remained unchanged. During many months Amsterdam and Paris were the cheapest money centres of the world. A few weeks ago money for one month, on good collateral, was obtainable even in the neighborhood of 2 per cent., and it was on May 22 that the management of the Bank of Netherlands decided to lower the rate for three months loans on collateral of stocks and bonds approved by the Bank by one-half of 1 per cent.

The easiness of the money market here at that time led our public to believe that a reduction in the official discount rate should soon take place; and it may be added that the position of the Bank at that time should have allowed such action, if the position of the foreign money markets had not called for caution.

Developments since then have proved that the management of the Bank acted wisely by maintaining the bank rate. Not only has money on collateral gradually risen from 2 to 4½ per cent., but the various rates of exchange moved unfavorably for our country, so that the rates for gold export to England and Germany were reached, and during the last few weeks more than 18,000,000 florins of gold have been exported.

## Mexican Politics and Railway Management

**Amsterdam Is Worrying About National Railway Notes Because of a Reported Disagreement Between Huerta and the Railroad's President**

*Special Correspondence of THE ANNALIST*

AMSTERDAM, July 3.—A depressing factor of great importance has been the announcement that Mr. E. N. Brown and Mr. A. Clark would resign as President and as General Manager of the National Railways of Mexico. In the securities of this large corporation our public is heavily interested, and it was a matter of reassurance to our investors, a few weeks ago, when it was announced that the managers of the company had overcome the great difficulties attendant on securing the money for the immediate financial requirements of the company, and had succeeded in concluding after prolonged and weary negotiations a 6 per cent. two-year loan of \$30,000,000.

Notwithstanding the fact that the notes were issued on a 7½ per cent. basis, the demand for them was poor and the syndicate members had to take up about 75 per cent. of their participations. This result was not very satisfactory to those interested in the underwriting syndicate, of course, but our investors are glad the financial needs of the company had been provided for. Through this issue the company now has time to await the opportune moment for financing its requirements in a better way. However, the uneasiness of our public about these things had hardly subsided when the news reached us that the above-named gentlemen had resigned their posts owing to Government interference and financial complications that have arisen. There was also a rumor that a receiver had been appointed.

### DISSENSIONS

Happily the latter report appeared to be mere gossip. The other report, although fortunately followed by the announcement that Mr. Brown will stay, seemed to have been well founded. We hear that men of competency to judge considered the resignation of the President and General Manager as a fact of the utmost importance, and should these gentlemen have been unwilling to stay, it would have had the most serious consequences for the credit of the company. Therefore, measures were taken to induce Mr. Brown to recall his decision, which efforts have met with success.

People here are hoping earnestly that Mr. Brown as well as Mr. Clark, both of whom have been connected with the affairs of the company since its organization, will stay for some time to come in order to guide the company safely through these critical times. It is feared here that the state of the company's affairs is not as good as the statements made at the issue of the notes led our investors to believe, and that should such occurrences as this week's be repeated, a further slump in Mexican securities will be started, which, on account of the very large holdings held in our country, would be a serious blow to our investors.

### WHY ADVERTISE IT?

It looks strange to us that pending the issue of the 6 per cent. notes of the Mexican Government, the feelings of hostility between the Mexican Government and the managers of the company have been given publicity, which certainly will not favor the placing of the notes. Investors here are entirely at a loss where they stand at present with Mexican securities.

On one hand, they hear that Mr. Bacon, Chairman of the Committee of Foreign Affairs in the United States Senate opposed the recognition of Huerta as President of Mexico. On the other hand, they learn that the banking group that handles the finances of the National Railways of Mexico has asked for Huerta's mediation to induce Mr. Brown to stay. Thus, leading bankers in the United States take an opposite view as to the position of Huerta to that of leading politicians in your country. Inasmuch as our people have always laid great stress on the big interests that your country has in Mexico, and the conviction prevails here that things might go too far, America will interfere, it is a matter of great interest for them to know what stand toward Mexican affairs is taken by leading men on your side. However, when leading groups differ so widely in their views, people here do not know how matters stand, and the demand for the new notes offered by the Mexican Government is not brisk.

## Barometrics

A SLACKENING of productive activity appears in last week's barometric statistics. Unfilled orders of the United States Steel Corporation fell off more than 500,000 tons from the preceding month; the figures are now almost exactly the same as those of the same date last year. Daily pig iron capacity is smaller, and pig iron production has declined considerably. Copper production and consumption were both reduced, as were stocks on hand at the end of June. A dull real estate market is indicated by a decrease of 13.9 per cent. in the building permits issued in 138 cities. Bond prices continued to show slight improvement. The number of idle freight cars on June 30 was practically unchanged from the last report. Gross railroad earnings were better than in the corresponding week of 1912. Food prices fluctuated actively. Higher levels for some were offset by declines in others, so that THE ANNALIST Index Number showed no definite movement. Call money at New York is still cheap, but commercial discounts again tightened up, and rates throughout the country are near the highest of the year. Reserves of New York banks and trust companies declined. There were not so many commercial failures in June as in May, but liabilities were greater. The week's failures showed little change from the preceding week.

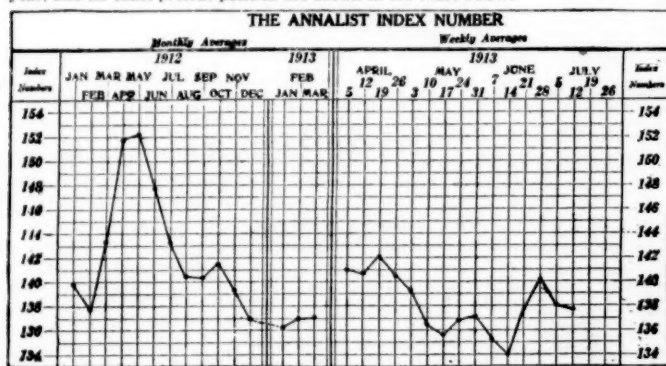
### THE ANNALIST INDEX NUMBER

An index number is a means of showing fluctuations in the average price of a group of commodities. The Annalist Index Number shows the fluctuations in the average wholesale price of twenty-five food commodities selected and arranged to represent a theoretical family's food budget. It is a consumer's Index Number, more sensitive than the Government's Index Number, or any other.

Commodity.	Av. Price for the Ten Yrs. 1890-99. (The Base.)	Last Week's Mean Price.	Relation to the 1890-99 Base Price. (Per Cent.)
Steers .....	\$5.3203	\$8.575	161.1
Hogs .....	4.4123	9.05	205.1
Sheep .....	4.4081	5.25	119.0
Beef, fresh .....	.0771	.1275	165.3
Mutton, dressed .....	.0754	.0975	129.3
Beef, salt .....	8.0166	18.25	227.6
Pork, salt .....	11.6332	23.00	197.7
Bacon .....	.0675	.136875	202.7
Codfish, salt .....	5.7530	8.00	139.0
Lard .....	.0654	.11575	175.4
Potatoes .....	.4991	.65	120.2
Beans .....	1.0899	2.445	146.4
Flour, rye .....	3.3171	3.6875	111.1
Flour, wheat, Spring .....	4.2972	4.675	108.7
Flour, wheat, Winter .....	3.8450	4.65	119.6
Cornmeal .....	1.0169	1.375	135.2
Rice .....	.0561	.054375	96.9
Oats .....	.2688	.41625	154.8
Apples, evaporated .....	.0647	.068125	80.4
Prunes .....	.0774	.063125	81.5
Butter, creamery .....	.2242	.2775	123.7
Butter, dairy .....	.2024	.2675	132.1
Cheese .....	.0687	.13875	140.5
Coffee .....	.1313	.093125	70.9
Sugar, granulated .....	.04727	.046	97.3

Index Number, the average relative price of 25 commodities....137.7

The Annalist Index Number started in 1890 at 113.4, fell to 79.9 in 1896, and was 142.9 for the year 1912. Its course during 1912 by months, its tendency since the first of this year, and its exact present position are shown in the chart below:



### GAUGES OF PRODUCTIVE ACTIVITY

	Copper and Iron Produced			
	June, 1913.	June, 1912.	Year 1912.	Year 1911.
Tons of pig iron.....	2,628,565	2,440,745	29,383,490	23,316,711
Pounds of copper.....	121,860,853	122,315,240	1,581,920,244	1,431,938,338

	American Copper Consumed			
	June, 1913.	June, 1912.	Calendar Year, 1912.	Calendar Year, 1911.
At home, lbs.....	68,452,571	66,146,229	819,665,948	709,611,605
Exported, lbs.....	68,067,901	61,449,650	746,396,452	754,902,233
Total, lbs.....	136,520,472	127,595,879	1,566,062,400	1,464,513,838

### Cotton Movement and Consumption

(N. Y. Cotton Exchange Official Report.)

	Past Week.	Same Week in 1912.	Sept. 1 to Latest Date—This Year.	Last Year.
Cotton, "into sight," bales..	32,640	35,245	13,479,952	15,762,016
American mill takings.....	37,536	39,948	5,102,550	5,665,343
World's takings* .....	174,551	189,860	13,109,431	14,588,021

\*Of cotton grown in America.

### Rate of Productive Activity

	End of June, 1913.	End of June, 1912.	End of May, 1913.	End of May, 1912.
Daily pig iron capacity, tons..	88,020	81,411	89,220	81,435
U. S. Steel's orders, tons.....	5,807,317	5,807,685	6,324,322	5,750,983

### Building Permits

	June, 138 Cities.	1912.	May, 85 Cities.	1912.
	\$77,085,083	\$89,585,794	\$61,123,003	\$70,592,409

### FINANCE

	Past Week.	Week before.	Year to date.	Same period in 1912
Sales of stocks, shares..	794,667	667,935	47,349,745	73,347,619
Aver. price of 50 stocks {	High 66.89	High 67.06	High 79.10	High 83.76
	Low 66.05	Low 66.23	Low 63.09	Low 75.24
Sales of bonds.....	\$7,695,600	\$4,976,500	\$294,110,300	\$430,444,500
Average net yield of ten savings bank bonds....	4.30%	4.32%	4.24%	*4.10%
New security issues.....	\$25,137,000	\$31,855,200	\$1,160,914,287	\$1,374,472,550
Refunding .....	3,250,000	.....	237,711,000	122,010,550

†Mean yield this year to date. \*Average yield for 1912.

### MEASURES OF BUSINESS ACTIVITY

#### Bank Clearings

Percentage figures show gains or losses in comparison with a year before.

	The past week. P.C.	The week before. P.C.	The year to date. P.C.
1913 .....	\$2,943,727,000—10.2	\$3,271,923,632—3.3	\$92,278,241,512—0.6
1912 .....	3,311,741,700+10.3	3,408,249,237+13.0	92,790,237,178+7.3
1911 .....	3,002,619,227—1.2	3,009,932,172+5.2	86,470,948,860—1.7
1910 .....	3,035,125,412+15.6	2,860,099,726—17.1	87,922,453,062+2.2
1909 .....	2,624,613,684+2.4	3,450,723,982+47.7	85,988,080,699+29.0
1908 .....	2,556,658,192—12.7	2,331,809,810—20.9	66,659,924,150—19.5
1907 .....	2,928,417,719+7.1	2,948,349,843+1.7	82,825,241,798—3.3

#### Number of Idle Cars

	June 30, 1913.	June 14, 1913.	May 31, 1913.	July 4, 1912.	July 6, 1911.	July 8, 1910.
All freight cars.....	63,704	63,927	50,908	*51,169	64,024	145,824

\*Net shortage of cars. †Date of busiest use of cars in the year.

#### Gross Rail Earnings

	*Second Week in June.	†Third Week in June.	‡All May.	§All April.
This year .....	\$11,489,260	\$6,212,534	\$56,259,465	\$43,922,216
Same last year.....	10,971,025	5,820,472	50,768,776	41,964,312
Gain or loss.....	+\$518,235	+\$392,062	+\$5,490,689	+\$1,957,904
	+4.7%	+6.7%	+10.8%	+4.7%

\*30 roads. †20 roads. ‡46 roads. §24 roads.

### THE CREDIT POSITION

#### Cost of Money

	Last Week.	Previous Week.	Since Jan. 1.	—Same Week—
	Week.	Week.	High. Low.	1912. 1911.
Call loans in New York..	1½@2½	1½@2½	7 1	2½@3½ 2 @2½
Commercial discounts:				
New York .....	5½@6	5½@6	6 4	4½@4½ 3½@4½
Chicago .....	6½@7	6½@7	7 4½	5 5½
Philadelphia .....	6 @6½	5½@6	6½ 4½	4 @4½ 3½@4½
Boston .....	6 @6½	5½@6½	6½ 4½	4 @4½ 3½@4
Kansas City.....	8	8	8 8	8 8
Minneapolis .....	6	6	6 6	6 6
New Orleans.....	7 @8	7 @8	8 6	6 @8 6 @8

#### New York Banking Position

(Both Banks and Trust Companies, Average Figures.)

	Loans.	Deposits.	Cash.	Reserve.
Last week .....	\$1,928,789,000	\$1,790,039,000	\$425,329,000	21.37%
Week before .....	1,927,566,000	1,792,065,000	433,130,000	24.17%
Same week, 1912.....	2,067,394,000	1,917,031,000	432,656,000	22.57%
This year's high.....	1,999,530,000	1,855,320,000	443,700,000	25.12%
on week ended.....	Feb. 8.	Feb. 8.	June 28.	June 21.
This year's low.....	1,858,698,000	1,697,891,000	392,750,000	23.13%
on week ended.....	Jan. 4.	Jan. 4.	Jan. 4.	Jan. 4.

#### Reserves of All National Banks

Loans and discounts, cash, and the ratio of cash to loans of all the national banks of the country at the time of the Controller's call have been (in round millions):

	June 4, 1913.	Apr. 4, 1913.	Feb. 4, 1913.	June 4, 1912.	June 30, 1911.	June 23, 1910.	July 15, 1909.	May 26, 1907.
Loans & discounts.....	\$6,143	\$6,178	\$6,125	\$5,954	\$5,611	\$5,430	\$5,036	\$4,631
Cash .....	915	888	933	945	895	821	886	849
P.c. of cash to loans..	14.9	14.4	15.2	15.9	15.1	15.1	17.6	14.9

#### A Week's Commercial Failures

	Week Ended July 10.		Week Ended July 3.		Week Ended July 11, '12.	
	To-tal.	Over \$5,000.	To-tal.	Over \$5,000.	To-tal.	Over \$5,000.
East .....	91	40	81	30	92	36
South .....	72	18	62	11	82	18
West .....	44	8	53	21	64	29
Pacific .....	31	7	34	7	21	11
United States .....	238	73	230	89	269	94
Canada .....	27	5	26	7	23	9

#### Failures by Months

	June, 1913.	May, 1913.	June, 1912.	May, 1912.
Number .....	1,145	1,246	1,006	1,204
Liabilities .....	\$20,767,625	\$16,863,804	\$12,847,711	\$15,277,462

### OUR FOREIGN TRADE

	1913.	May, 1912.	1912.	Eleven Months, 1911-12.
Exports .....	\$194,598,244	\$175,408,058	\$2,302,470,055	\$2,066,116,667
Imports .....	133,446,012	155,710,573	1,681,484,656	1,522,246,824
Balance .....	\$61,152,232	\$19,697,485	\$620,985,399	\$543,869,843

#### Imports and Exports at New York

	1913.	1912.	1913.	1912.
Latest week .....	\$11,776,681	\$9,939,416	\$13,505,621	\$15,745,409
Year to date.....	\$489,358,992	\$435,288,569	\$1,511,207,790	\$1,521,846,672

### WEEK'S PRICES OF BASIC COMMODITIES

	Current Price.	Range since Jan. 1st.	Mean Price since Jan. 1.	Mean price of other years.
	High.	Low.	1912.	1911.
Cement: Portland, dom.; per 400-lb. bbl.	1.38	1.38	1.38	1.461
Copper: Lake, per pound.....	.1475	.1475	.1475	.1507
Cotton: Spot, middling upland, per lb..	.1230	.1340	.1255	.144
Hemlock: Base price per 1,000 feet....	24.50	24.50	23.00	21.65
Hides: Packer No. 1, Native, per pound..	.18	.19	.1650	.1775
Petroleum: Crude, per bbl.....	2.50	2.50	2.00	2.25
Pig iron: Bessemer, at Pitts., per ton....	16.90	18.15	16.90	17.525
Rubber: Up-river, fine, per pound.....	.90	1.08	.78	.93
Rubber: Up-river, fine, per pound.....	.93	1.08	.78	.93
Silk: Raw, Italian, classical, per pound..	4.45	4.45	3.90	4.175
Steel billets, at Pittsburgh, per ton....	28.50	28.50	27.50	22.38
Wool: Ohio X, per pound.....	.28	.30	.28	.29



# Money and Finance

MONEY rates advanced slightly last week, not only in New York, but in other business centres. The New York banks increased loans, deposits, and cash. Gold to the amount of \$5,000,000 went out to Paris, although the exchange position was not favorable to shipments. Comment has been made that the deposit of Government funds in country banks a few weeks ago, with the quick flow of these to New York, made the exportation easier and the deposits, now, have been criticised for that reason. Some think that further funds should be held back till the strain comes on our banks in August.

## Clearing House Institutions

### Actual Condition Saturday Morning

	Banks.	Trust Cos.	All Members.
Loans	\$1,367,249,000	\$565,594,000	\$1,932,843,000
Deposits	1,378,412,000	418,268,000	1,796,680,000
Cash	363,790,000	62,968,000	426,758,000
Reserve	26.39%	15.05%	23.75%
Surplus	19,187,000	227,800	19,414,800
Circulation	-340,000		-340,000

### Changes from Previous Week

Loans	+\$6,386,000	+\$3,927,000	+\$10,313,000
Deposits	+ 7,391,000	+10,491,000	+ 17,882,000
Cash	+ 1,992,000	+ 888,000	+ 2,880,000
Reserve	+ 0.01%	- 0.17%	- 0.07%
Surplus	+ 144,250	- 685,650	- 541,400
Circulation	- 340,000		- 340,000

### Daily Average Condition During Week

Loans	\$1,365,466,000	\$563,323,000	\$1,928,789,000
Deposits	1,374,135,000	415,904,000	1,790,039,000
Cash	362,399,000	62,930,000	425,329,000
Reserve	26.37%	15.13%	23.76%
Surplus	18,865,250	544,400	19,409,650
Circulation	+283,000		+283,000

### Changes from Previous Week

Loans	+\$5,200,000	-\$4,017,000	+\$1,223,000
Deposits	+ 4,331,000	+ 2,305,000	+ 2,026,000
Cash	- 8,225,000	+ 424,000	- 7,801,000
Reserve	- 0.51%	+ 0.02%	- 0.40%
Surplus	- 7,142,250	+ 78,250	- 7,064,000
Circulation	+ 283,000		+ 283,000

### Loans, Deposits, and Cash Compared

Taking the Clearing House banks alone, because the trust companies have no Clearing House record back of 1911, the items, loans, deposits, and cash compare with corresponding weeks of other years thus:

	Loans.	Deposits.	Cash.
1913	\$1,365,466,000	\$1,374,135,000	\$362,399,000
1912	1,401,004,000	1,425,267,000	357,539,000
1911	1,400,612,000	1,430,401,000	363,331,000
1910	1,188,473,400	1,177,110,200	321,420,200
1909	1,345,586,500	1,423,472,800	390,437,400
1908	1,255,712,800	1,328,300,200	379,128,300
1907	1,104,835,900	1,070,759,800	274,567,000
1906	1,036,233,400	1,023,932,000	268,813,800

## BANK CLEARINGS

For the week ended Saturday noon. Reported by Telegraph to THE ANNALIST

	Twenty-eighth Week, 1913.	Twenty-eighth Week, 1912.	Twenty-eighth Week, 1911.	Year's Change, 1913.
Central cities reserve:				
New York	\$1,547,782,007	\$1,901,827,887	\$52,898,806,947	\$54,025,903,318
Chicago	312,748,880	285,722,968	8,657,922,278	8,146,039,702
St. Louis	76,098,020	79,806,064	2,210,911,218	2,132,455,944
Total 3 c. cities	\$1,936,628,982	\$2,267,357,919	\$63,767,700,444	\$64,304,399,964
Reserve cities:				
Baltimore	\$44,825,126	\$38,141,921	\$1,097,585,085	\$1,027,277,118
Boston	142,433,061	180,222,375	4,528,547,756	4,960,908,754
Cincinnati	27,340,350	28,373,850	726,425,400	740,911,700
Cleveland	30,475,790	25,806,351	686,009,066	588,361,806
Denver	8,314,305	10,721,030	257,832,157	255,391,303
Detroit	28,644,416	22,255,064	689,798,285	575,264,683
Kan. City, Mo.	50,324,902	46,489,205	1,470,417,935	1,371,315,975
Los Angeles	27,594,216	24,129,791	685,827,327	605,825,013
Louisville	16,947,926	13,090,989	402,474,560	405,654,566
Minneapolis	22,718,208	19,962,477	617,354,917	585,497,062
New Orleans	17,028,387	17,763,826	514,275,096	553,859,209
Philadelphia	156,380,479	152,063,674	4,659,777,716	4,310,538,680
Pittsburgh	54,158,908	54,747,939	1,635,343,552	1,460,279,857
St. Paul	9,504,763	10,284,042	272,048,027	292,840,980
San Francisco	59,780,020	52,736,473	1,356,525,469	1,345,398,026
Seattle	15,567,739	12,959,263	329,507,529	308,066,283
Total 16 reserve cities	\$712,128,685	\$709,748,270	\$19,939,750,787	\$19,387,302,220
Grand total	\$2,648,757,667	\$2,977,105,789	\$83,707,451,231	\$83,691,791,184

### RECAPITULATION

The twenty-eighth week of this year compares with the twenty-eighth week of last year as follows:	P. C.
Three central reserve cities	Decrease \$330,728,537 or 14.6
Sixteen reserve cities	Increase 2,380,415 or 0.3
Total nineteen cities, representing 90 per cent. of all reported clearings	Decrease 328,348,122 or 11.0
The elapsed twenty-eight weeks of this year compare with the corresponding twenty-eight weeks of last year as follows:	P. C.
Three central reserve cities	Decrease \$536,698,520 or 8.8
Sixteen reserve cities	Increase 552,358,567 or 2.3
Total nineteen cities, representing 90 per cent. of all reported clearings	Increase 15,000,047 or 0.02

## MEMBERS OF CLEARING HOUSE ASSOCIATION

### NATIONAL AND STATE BANKS—Average Figures

	Capital and Net Profits.	Loans and Discounts.	Legal Net Deposits.	Legals and Specie.	Re-serves P. C.
Bank of N. A., N. B. A.	\$6,280,100	\$21,010,000	\$18,534,000	\$4,790,000	25.9
Bank of Manh. Co.	6,906,800	32,000,000	36,000,000	9,257,000	25.7
Mechanics' Nat. Bank	4,178,300	21,504,000	22,007,000	5,684,000	25.7
Merch. & Metals Nat. Bank	14,873,700	56,271,000	53,218,000	13,940,000	26.2
Bank of America	7,938,100	25,224,000	24,677,000	6,283,000	25.4
National City Bank	55,516,100	197,981,000	188,079,000	45,491,000	24.2
Chemical National Bank	10,410,400	28,541,000	25,104,000	6,543,000	26.1
Merch. Exch. Nat. Bank	1,126,800	6,535,000	6,441,000	1,593,000	24.7
Nat. B. & Drovers' Bank	427,200	2,140,000	1,937,000	405,000	20.9
Greenwich Bank	1,547,200	8,926,000	10,031,000	2,526,000	25.2
Am. Exch. Nat. Bank	9,536,400	42,531,000	42,665,000	12,570,000	27.1
Nat. Bank of Commerce	41,526,400	133,488,000	111,559,000	30,131,000	27.0
Pacific Bank	1,475,400	4,813,000	4,558,000	1,261,000	27.7
Chat. & Phe. Nat. Bank	3,592,500	18,864,000	19,102,000	4,902,000	25.6
People's Bank	675,500	2,012,000	2,257,000	655,000	29.0
Hanover National Bank	17,536,600	71,867,000	78,238,000	19,815,000	25.3
Citizens' Cent. Nat. Bank	4,444,800	22,979,000	21,601,000	5,677,000	26.2
National Nassau Bank	1,466,900	10,948,000	12,116,000	3,110,000	25.7
Market & Fulton Nat. Bank	2,925,200	9,185,000	9,077,000	2,357,000	26.0
Metropolitan Bank	3,817,200	13,677,000	14,551,000	3,825,000	26.3
Corn Exchange Bank	8,908,000	50,447,000	61,481,000	17,812,000	29.0
Imp. & Traders' Nat. Bank	9,400,900	26,086,000	24,184,000	6,705,000	27.7
Nat. Park Bank	19,134,600	86,200,000	87,500,000	21,900,000	25.0
East River Nat. Bank	317,200	1,331,000	1,501,000	423,000	26.6
Fourth National Bank	10,948,100	30,004,000	30,137,000	7,708,000	25.9
Second National Bank	3,701,500	13,728,000	12,611,000	3,192,000	25.3
First National Bank	32,020,200	106,720,000	100,820,000	30,020,000	29.7
Irving National Bank	7,299,800	34,958,000	35,584,000	9,502,000	26.9
Bowery Bank	1,025,400	3,271,000	3,400,000	882,000	25.9
N. Y. Co. National Bank	2,512,700	8,314,000	8,404,000	2,134,000	25.4
German-American Bank	1,433,900	3,900,000	3,602,000	1,032,000	27.9
Chase National Bank	15,263,500	95,568,000	109,700,000	29,537,000	26.9
Fifth Avenue Bank	2,373,200	12,609,000	14,480,000	4,004,000	27.6
German Exchange Bank	1,015,500	3,504,000	3,440,000	858,000	24.9
Germania Bank	1,234,900	5,278,000	6,119,000	1,560,000	25.6
Lincoln National Bank	2,742,100	14,970,000	14,870,000	3,494,000	25.5
Garfield National Bank	2,293,100	8,815,000	9,061,000	2,433,000	26.8
Fifth National Bank	746,100	3,865,000	4,050,000	1,030,000	25.6
Bank of the Metropolis	3,211,600	12,308,000	12,123,000	3,020,000	24.9
West Side Bank	1,042,100	3,874,000	4,479,000	1,112,000	24.8
Seaboard National Bank	3,439,100	23,027,000	28,310,000	8,576,000	30.3
Liberty National Bank	3,745,500	23,091,000	25,178,000	6,386,000	25.4
N. Y. Produce Exch. Bank	1,890,300	9,224,000	10,794,000	2,845,000	26.4
State Bank	1,587,700	18,523,000	23,678,000	5,850,000	24.7
Security Bank	1,423,400	11,973,000	14,123,000	3,413,000	24.2
Coal & Iron Nat. Bank	1,543,700	6,743,000	7,158,000	2,040,000	28.5
Union Exch. Nat. Bank	1,994,100	9,336,000	9,363,000	2,350,000	25.2
Nassau Nat. Bank, B'klyn.	1,153,700	7,093,000	5,777,000	1,530,000	26.8

All banks, average.....\$340,783,200 \$1,365,466,000 \$1,374,135,000 \$362,399,000 26.4

Actual total, Sat. A. M. \$340,783,200 \$1,367,249,000 \$1,378,412,000 \$363,790,000 26.4

### TRUST COMPANIES—Average Figures

	Capital and Net Profits.	Loans and Discounts.	Legal Net Deposits.	Legals and Specie.	Recognized Reserve Deposits.
Brooklyn Trust Co.	\$5,071,500	\$23,685,000	\$17,927,000	\$2,689,000	\$3,226,000
Bankers Trust Co.	24,874,300	114,090,000	87,183,000	13,073,000	17,769,000
U. S. Mort. & Trust Co.	6,455,200	35,371,000	30,283,000	4,545,000	5,008,000
Astor Trust Co.	2,458,400	18,366,000	12,739,000	1,922,000	1,604,000
Title Guar. & Trust Co.	16,355,100	34,123,000	20,662,000	3,276,000	2,846,000
Guaranty Trust Co.	33,863,500	156,035,000	110,029,000	16,511,000	19,331,000
Fidelity Trust Co.	2,324,000	7,417,000	5,647,000	873,000	861,000
Law, Title In. & Trust Co.	9,776,200	16,507,000	10,836,000	1,604,000	1,555,000
Colum.-Knicker. Trust Co.	9,165,400	46,769,000	37,075,000	5,581,000	5,174,000
Peoples' Trust Co.	2,529,500	15,206,000	13,839,000	2,093,000	2,164,000
New York Trust Co.	14,939,200	43,017,000	29,012,000	4,385,000	4,108,000
Franklin Trust Co.	2,190,500	8,912,000	7,073,000	1,105,000	1,115,000
Lincoln Trust Co.	1,512,100	10,063,000	8,726,000	1,318,000	941,000
Metropolitan Trust Co.	8,114,000	22,081,000	13,332,000	2,128,000	2,201,000
Broadway Trust Co.	1,556,300	11,571,000	11,241,000	1,704,000	1,423,000

Total average.....\$141,195,200 \$563,323,000 \$415,904,000 \$82,900,000 \$69,386,000

Actual total, Sat. A. M. \$141,195,200 \$565,594,000 \$418,268,000 \$82,968,000 \$64,444,000

## MONEY AND EXCHANGE

Money rates at New York during the week were as follows: On call, 1½@2½ per cent., renewal rate at 2½; 60 days, 2½@3¼ per cent.; 90 days, 3¼@5 per cent.; six months, 5¼@6 per cent. Sterling exchange ranged from \$4.8680@4.8690 for demand, \$4.83@4.8325 for 60 days, and \$4.8735@4.8740 for cables. Exchange on New York at domestic centres ruled thus:

	Boston.	Chicago.	St. Louis.	San Francisco.
July 7	par	5c premium	10c premium	20c premium
July 8	par	5c premium	10c premium	20c premium
July 9	par	10c premium	10c premium	20c premium
July 10	par	15c discount	10c discount	20c premium
July 11	par	20c discount	5c premium	35c premium
July 12	par	20c discount	5c discount	35c premium

## EUROPEAN BANKS LAST WEEK

### BANK OF ENGLAND

	1913.	1912.	1911.
Bullion	\$37,391,226	\$40,383,477	\$40,656,696
Reserve	26,219,000	29,272,207	29,821,666
Notes reserve	24,668,000	27,804,165	28,632,715
Reserve to liabilities.	50%	50%	52%
Circulation	29,622,000	29,566,270	29,285,030
Public deposits	10,733,000	17,891,765	9,278,015
Other deposits	41,067,000	40,355,438	47,908,925
Government securities	12,756,173	13,983,707	14,967,286
Other securities	30,853,000	30,803,853	30,382,639

# The Stock Market

**A** GAIN, the stock market has passed through a week of comparative inactivity. Trading made a record for stagnation on Friday. There was very little evidence of price movement traceable to definite influences. The Pittsburgh bank failures on Monday depressed the list only about a point. But at midweek, when the European markets turned upward, our market advanced. The favorable crop report and rather unfavorable production reports in copper and steel had very little influence. London expects our market to lead an upward revival.

## STOCK MARKET AVERAGES

The average quotations of twenty-five leading railroad and twenty-five industrial issues and of the two groups of stocks combined:

RAILROADS					
	High.	Low.	Mean.	Last.	Changes.
Thursday, July 3.....	80.05	79.73	79.89	79.95	+ .20
Monday, July 7.....	79.84	79.32	79.58	79.38	— .57
Tuesday, July 8.....	79.40	79.08	79.24	79.26	— .12
Wednesday, July 9.....	79.12	78.66	78.89	78.95	— .31
Thursday, July 10.....	79.44	78.95	79.19	79.05	+ .10
Friday, July 11.....	79.07	78.83	78.95	78.96	— .09
Saturday, July 12.....	79.22	79.11	79.16	79.19	+ .23
INDUSTRIALS					
Thursday, July 3.....	54.08	53.87	53.97	53.96	..
Monday, July 7.....	53.94	53.48	53.71	53.50	— .46
Tuesday, July 8.....	53.93	53.29	53.61	53.45	— .05
Wednesday, July 9.....	53.28	52.94	53.11	53.18	— .27
Thursday, July 10.....	53.52	53.30	53.41	53.40	+ .22
Friday, July 11.....	53.39	53.28	53.33	53.32	— .08
Saturday, July 12.....	53.53	53.44	53.48	53.52	+ .20
COMBINED AVERAGE					
Thursday, July 3.....	67.06	66.80	66.93	66.95	+ .10
Monday, July 7.....	66.89	66.40	66.64	66.44	— .51
Tuesday, July 8.....	66.66	66.18	66.42	66.35	— .09
Wednesday, July 9.....	66.20	65.80	66.00	66.06	— .29
Thursday, July 10.....	66.48	66.12	66.30	66.22	+ .16
Friday, July 11.....	66.23	66.05	66.14	66.14	— .08
Saturday, July 12.....	66.37	66.27	66.32	66.35	+ .21

### THIS YEAR'S RANGE TO DATE

	Open.	High.	Low.	Last.
Railroads .....	90.68	91.41 Jan. 9	75.92 June 10	79.19
Industrials .....	66.76	67.08 Jan. 2	50.27 June 10	53.52
Combined average.....	78.72	79.10 Jan. 9	63.09 June 10	66.35

### YEAR'S RANGE IN 1912

	Open.	High.	Low.	Last.
Railroads .....	91.43 Jan. 2	97.28 Oct. 4	88.39 Dec. 16	90.27 Dec. 31
Industrials .....	64.00 Jan. 2	74.50 Sep. 30	61.74 Feb. 1	66.13 Dec. 31
Combined aver.....	77.51 Jan. 2	85.82 Sep. 30	75.24 Feb. 1	78.10 Dec. 31

### YEAR'S RANGE IN 1911

	Open.	High.	Low.	Last.
Railroads .....	91.79 Jan. 3	99.61 June 26	84.40 Sep. 28	91.37 Dec. 30
Industrials .....	62.05 Jan. 3	60.76 June 5	54.75 Sep. 25	63.83 Dec. 30
Combined aver.....	77.37 Jan. 3	84.41 June 26	69.57 Sep. 25	77.00 Dec. 30

## RECORD OF TRANSACTIONS

### Week Ended July 12, 1913

STOCKS (Shares.)			
	1913.	1912.	1911.
Monday .....	164,720	559,234	322,726
Tuesday .....	127,087	354,630	224,254
Wednesday .....	231,944	502,683	181,161
Thursday .....	162,970	435,775	115,802
Friday .....	64,096	305,693	86,847
Saturday .....	43,850	167,930	53,960
Total week .....	794,667	2,325,945	984,750
Year to date.....	47,349,745	73,347,619	55,800,372

### BONDS (Par Value.)

	1913.	1912.	1911.
Monday .....	\$1,532,500	\$2,345,000	\$2,433,000
Tuesday .....	1,534,000	1,908,000	2,470,500
Wednesday .....	1,243,500	3,722,500	2,197,000
Thursday .....	1,354,500	2,564,500	2,116,000
Friday .....	1,600,000	2,839,500	1,678,000
Saturday .....	431,100	1,400,500	952,500
Total week .....	\$7,695,600	\$14,780,000	\$11,847,000
Year to date.....	294,110,300	430,444,500	489,383,500

In detail last week's dealings compare as follows with the corresponding week last year:

	July 13, '12.	July 12, '13.	Decrease.
Railroad and miscel. stocks.....	2,325,864	794,651	1,531,213
Bank stocks .....	81	16	65
Mining stocks .....			
Railroad and miscel. stocks.....	\$14,482,000	\$6,120,500	\$8,361,500
Government bonds .....	81,000	73,600	7,400
State bonds .....	16,000	2,000	14,000
City bonds .....	201,000	1,499,500	*1,298,500
Total, all bonds.....	\$14,780,000	\$7,695,600	\$7,084,400

\*Increase.

## FINANCIAL CHRONOLOGY

### Monday, July 7

Stock market weak. Failure of the First-Second National Bank of Pittsburgh, causing the suspension also of the First National Bank of McKeesport. Gold to the amount of \$3,000,000 engaged for export to Paris. Money on call, 1½@2½ per cent. Demand sterling, \$4.8685.

### Tuesday, July 8

Stock market dull and only slightly changed. Negotiations between the railroads and the representatives of the Conductors and Trainmen's Union broken off as a sequel to the strike vote of the men. Engagement of an additional \$2,000,000 gold for Paris. Money on call, 2@2½ per cent. Demand sterling declines 5 points, to \$4.8680.

### Wednesday, July 9

Stock market declines sharply in the early trading, influenced by the heaviness in the markets abroad due to the disturbed state of the Balkans. British Consols fall to 72¼, a new low record. Favorable Government crop report brings about a recovery in the final dealings. Monthly statement of the Copper Producers' Associations shows decrease during June of 14,569,619 pounds in surplus supply of copper. Money on call, 2@2½ per cent. Demand sterling advances 10 points, to \$4.8690.

### Thursday, July 10

Stock market recovers, but fails to hold its full rally to the close. Improvement in foreign markets due to report that Bulgaria had submitted its case unconditionally to Russia. Advances from Washington that President Wilson would take part in a conference to avert the threatened strike of the conductors and trainmen on the Eastern roads, and that the currency bill would be changed in a way to meet the difficulties which had arisen from the proposed withdrawal of the circulation privilege from United States bonds. United States Steel Corporation unfilled orders fall off 517,005 tons during June. Resolution introduced in the Senate directing an investigation into the proposed issuance by the New York Central of \$167,102,400 of 4 per cent. mortgage bonds against the stock of the Lake Shore and Michigan Central railways. Number of idle freight cars on the lines of the United States and Canada on June 30, 63,704, a decrease of 223 as compared with the figures of June 14. Sale of a new York Stock Exchange membership at \$38,000, the lowest price since 1900. Money on call, 2@2½ per cent. Demand sterling unchanged at \$4.8690.

### Friday, July 11

Stock market narrow. Total sales, 64,096 shares, the smallest dealings since May 27, 1896, when the trading amounted to only 63,919 shares. Money on call, 2@2½ per cent. Demand sterling declines 5 points, to \$4.8685.

### Saturday, July 12

Stock market dull and firm. Total sales, 43,850 shares, the smallest total since May 7, 1904, when the dealings amounted to only 40,532 shares. Bank statement shows decrease in actual surplus reserve of \$541,400.

## GOVERNMENT FINANCE

### GENERAL FUND.

July 7, 1913.

ASSETS.		LIABILITIES.	
<b>CASH:</b>		<b>In Treasury Offices—</b>	
<i>In Treasury Offices—</i>		Outstanding warrants and checks .....	
Gold coin .....	\$27,331,298	Balances to credit of disbursing officers ..	78,697,560
Gold certificates .....	90,787,240	Post Office Department balances .....	10,482,301
Standard silver dollars ..	10,228,629	Miscellaneous items, (assets of banks in liquidation, &c.) .....	3,649,849
Silver certificates .....	12,535,467	Coupons and interest matured .....	2,603,451
United States notes .....	9,692,741	National-bank notes: Redemption fund* ..	21,786,593
Treasury notes of 1890 ..	4,099	National-bank 5 per cent. fund .....	27,322,382
Certified checks on banks	20,916		
National-bank notes .....	43,834,431		
554.95 which the Treasury has redeemed and for which it will receive payment from national banks.			
	194,434,823		161,208,402
<b>In National-bank Depositories—</b>		<b>In National-bank Depositories—</b>	
To credit of Treasurer		Balances to credit of Postmasters, judicial officers, &c.....	
United States† .....	56,353,701	Outstanding warrants..	586,170
To credit of Postmasters, judicial officers, &c	5,588,827		
<i>In Transit, or Checks not Cleared .....</i>		<b>Current liabilities in Treasury and banks ..</b>	
	23,000,000		167,383,400
<b>Available cash in Treasury and banks .....</b>		<b>In Treasury Philippines—</b>	
	279,377,352	Balances to credit of disbursing officers .....	
<b>In Treasury Philippines—</b>		Outstanding warrants..	
To credit of Treasurer			3,186,102
United States .....	1,037,510		442,261
To credit of disbursing officers .....	3,186,102		
<b>Balances in Treasury Offices, limited tender or unavailable—</b>		<b>Total liabilities against cash .....</b>	
Silver bullion .....	2,074,591		171,011,765
Subsidiary silver coin ..	20,604,029	<b>Net balance in general fund .....</b>	
Fractional currency .....	278		137,214,195
Minor coin .....	1,946,095		
<b>Total cash assets in the general fund .....</b>		<b>Total liabilities and net balance .....</b>	
	308,225,960		308,225,960

## COURSE OF FOREIGN SECURITIES

	Last Sale.	Range for 1913 to Date.	Range for 1912.
Argentina 5s .....	97½	99½@ 96	100 @ 95½
British Consols .....	92 7-16	75½@ 72¼	79 3-16@ 72¼
Chinese Railway 5s.....	88½	92 @ 85	95½@ 90
French Rentes 3 per cents.....	83.85	89.50@83.35	95 @ 88.50
German Imperial 3s.....	73	77½@ 73	82 @ 75¼
Japanese 4½s .....	86	90½@ 83½	93½@ 89½
Republic of Cuba 5s.....	100	102½@ 99½	104 @ 101¼
Russian 4s, Series 2.....	88½	91½@ 88	95 @ 86½
United States of Mexico 4s.....	85	87½@ 81	94 @ 88



## New York Stock Exchange Transactions

Week Ended July 12

Total Sales 794,667 Shares

High and low prices for the week may be for odd lots; high and low prices for the year are based on 100-share lots, the official unit.

Range for Year 1912—		Range for Year 1913—		STOCKS.	Amount Capital Stock Listed.	Last Dividend Paid Date.	Per Cent.	Per-iod.	Range for Week Ended July 12.			Week's Net Changes.	Sales Week Ended July 12		
High.	Low.	High.	Low.						High.	Low.	Last.				
205	164	150	139	Mar. 13	ADAMS EXPRESS CO.	\$12,000,000	June 2, '13	3	..	..	..	*130	..		
..	..	7 1/2	May 17	5 1/2	July 9	Allis-Chalmers Co., t. r., 5th pd.	19,820,000	..	..	..	5 1/2	5 1/2	..	300	
..	..	16 1/2	May 23	12 1/2	June 10	Allis-Chalmers Co. pf., t. r., 5th pd.	16,050,000	..	..	..	14 1/2	14	14 1/2	..	400
92 1/2	60	80 1/2	Jan. 2	61 1/2	June 10	Amalgamated Copper Co.	153,887,900	May 26, '13	1 1/2	Q	64 1/2	62 1/2	64 1/2	..	56,800
63 1/2	54 1/2	57	Jan. 3	44	June 23	American Agricultural Chemical Co.	18,330,900	Apr. 15, '13	1	Q	47 1/2	46	46	..	500
104 1/2	98	99	Jan. 2	92 1/2	June 3	Amer. Agricultural Chemical Co. pf.	27,112,700	Apr. 15, '13	1 1/2	Q	..	..	92	..	..
77	46 1/2	50 1/2	Jan. 2	19 1/2	June 10	American Beet Sugar Co.	15,000,000	Nov. 15, '12	1 1/2	..	22	21 1/2	22	..	300
101 1/2	90	86	Mar. 6	72 1/2	May 20	American Beet Sugar Co. pf.	5,000,000	July 1, '13	1 1/2	Q	..	..	90	..	..
107 1/2	91 1/2	96 1/2	Jan. 4	90	June 7	Amer. Brake Shoe & Foundry Co.	4,000,000	June 30, '13	1 1/2	Q	..	..	90	..	..
160	130	136 1/2	Jan. 6	128	June 10	Am. Brake Shoe & Foundry Co. pf.	5,000,000	June 30, '13	2	Q	..	..	128	..	..
47 1/2	11 1/2	46 1/2	Jan. 31	21	June 11	American Can Co.	41,233,300	..	..	..	28 1/2	26 1/2	27 1/2	..	25,350
126 1/2	90 1/2	129 1/2	Jan. 30	80 1/2	June 10	American Can Co. pf.	41,233,300	July 1, '13	1 1/2	Q	88	86 1/2	87 1/2	..	1,750
63 1/2	49 1/2	56 1/2	Jan. 2	36 1/2	June 10	American Car & Foundry Co.	30,000,000	July 1, '13	1 1/2	Q	42	41	41 1/2	..	1,400
120	115	117	Mar. 5	108	June 10	American Car & Foundry Co. pf.	30,000,000	July 1, '13	1 1/2	Q	108 1/2	108 1/2	108 1/2	..	100
60 1/2	30 1/2	48 1/2	Jan. 6	33 1/2	July 2	American Cities	16,264,700	..	..	..	..	..	33 1/2	..	..
84 1/2	75 1/2	78 1/2	Jan. 2	60 1/2	June 28	American Cities pf.	20,553,500	July 1, '13	3	SA	66	66	66	..	100
85	85	75	June 11	75	June 11	American Coal	1,500,000	Mar. 1, '13	3	SA	..	..	75	..	..
98	94	87	Mar. 4	87	Mar. 4	American Coal Products	10,639,300	July 1, '13	1 1/2	Q	..	..	87	..	..
114	108 1/2	109 1/2	Jan. 15	109 1/2	Jan. 15	American Coal Products pf.	2,500,000	Apr. 15, '13	1 1/2	Q	..	..	109 1/2	..	..
60 1/2	45 1/2	57 1/2	Jan. 2	33 1/2	June 12	American Cotton Oil Co.	20,237,100	June 1, '11	2 1/2	..	36	36	36	..	400
99 1/2	95	98	May 6	93 1/2	June 17	American Cotton Oil Co. pf.	10,198,600	June 2, '13	3	SA	..	..	93 1/2	..	..
220	160	166	Feb. 8	159	Apr. 23	American Express Co.	18,000,000	July 1, '13	3	Q	162	160	162	..	500
7 1/2	3	5 1/2	Jan. 8	3 1/2	July 9	American Hide & Leather Co.	11,274,100	..	..	..	3 1/2	3 1/2	3 1/2	..	100
34	20	28 1/2	Feb. 10	15 1/2	June 10	American Hide & Leather Co. pf.	12,548,300	Aug. 15, '05	1	..	..	..	19 1/2	..	..
30 1/2	18	27 1/2	Apr. 4	17	June 10	American Ice Securities Co.	19,045,100	July 20, '07	1 1/2	..	21	21	21	..	100
17 1/2	9 1/2	11 1/2	Jan. 31	6 1/2	June 10	American Linseed Co.	16,750,000	..	..	..	8 1/2	8 1/2	8 1/2	..	100
43	30	31 1/2	Jan. 31	20 1/2	June 10	American Linseed Co. pf.	16,750,000	Sep. 1, '08	1 1/2	..	23 1/2	23	23 1/2	..	500
47 1/2	31 1/2	44 1/2	Jan. 6	27	June 10	American Locomotive Co.	25,000,000	Aug. 26, '08	1 1/2	..	29 1/2	28	29 1/2	..	300
110 1/2	103	106 1/2	Jan. 2	100	June 18	American Locomotive Co. pf.	25,000,000	Apr. 21, '13	1 1/2	Q	101	100 1/2	101	..	300
19 1/2	4 1/2	13	Jan. 3	7 1/2	Feb. 18	American Malt Corporation	5,739,200	..	..	..	8	8	8	..	500
69 1/2	42	61 1/2	Jan. 3	45 1/2	June 10	American Malt Corporation pf.	8,838,800	May 2, '13	2 1/2	SA	48 1/2	48 1/2	48 1/2	..	100
91	66 1/2	74 1/2	Jan. 30	58 1/2	June 10	Amer. Smelting & Refining Co.	50,000,000	June 16, '13	1	Q	62 1/2	60 1/2	61 1/2	..	9,800
109 1/2	102 1/2	107	Feb. 7	97	June 6	Amer. Smelting & Refining Co. pf.	50,000,000	June 2, '13	1 1/2	Q	99 1/2	98 1/2	98 1/2	..	910
89 1/2	84	86	Jan. 9	79 1/2	June 12	Amer. Smelting Securities pf., B.	30,000,000	July 1, '13	1 1/2	Q	81	81	81	..	512
203 1/2	123	192	Jan. 22	150	July 9	American Snuff Co.	11,001,700	July 1, '13	3	Q	150	150	150	..	100
105	99	105	Jan. 21	100	June 6	American Snuff Co. pf., new	3,940,200	July 1, '13	1 1/2	Q	..	..	100 1/2	..	..
44 1/2	26	40 1/2	Feb. 3	25	June 9	American Steel Foundries	16,218,000	June 30, '13	1 1/2	Q	27 1/2	27 1/2	27 1/2	..	200
133 1/2	113 1/2	118	Jan. 31	104 1/2	June 12	American Sugar Refining Co.	45,000,000	July 2, '13	1 1/2	Q	108	107	107	..	400
124	115 1/2	116 1/2	Jan. 28	110 1/2	June 12	American Sugar Refining Co. pf.	45,000,000	July 2, '13	1 1/2	Q	..	..	112	..	..
78	66	66 1/2	Jan. 30	59	Mar. 26	American Telegraph & Cable Co.	14,000,000	June 2, '13	1 1/2	Q	..	..	62	..	..
149 1/2	137 1/2	140	Jan. 9	125 1/2	June 10	Amer. Telephone & Telegraph Co.	344,529,200	Apr. 15, '13	2	Q	127 1/2	126	126 1/2	..	3,300
324 1/2	241 1/2	294 1/2	Jan. 10	200	June 6	American Tobacco Co.	40,242,400	June 2, '13	5	Q	214 1/2	208	210	..	1,150
109	102	106	Apr. 26	106	Apr. 26	American Tobacco Co. pf.	1,298,700	July 1, '13	1 1/2	Q	..	..	96	..	..
106 1/2	101 1/2	106 1/2	Jan. 27	96	July 11	American Tobacco Co. pf., new	51,660,100	July 1, '13	1 1/2	Q	97 1/2	96	96	..	1,035
99 1/2	97 1/2	99	Jan. 4	95	May 23	American Water Works pf.	10,000,000	July 1, '13	1 1/2	Q	..	..	95	..	..
31	18	21	Apr. 17	16 1/2	June 10	American Woolen Co.	20,000,000	..	..	..	..	..	16 1/2	..	..
94 1/2	79	81	Jan. 3	74	May 7	American Woolen Co. pf.	40,000,000	Apr. 15, '13	1 1/2	Q	..	..	75	..	..
41 1/2	25 1/2	32 1/2	Jan. 2	20	June 10	American Writing Paper pf.	12,500,000	Apr. 1, '13	1	SA	24	24	24	..	100
48	34	41 1/2	Jan. 2	30 1/2	June 10	Anaconda Copper Mining Co.	108,312,500	Apr. 16, '13	75c	Q	32 1/2	31 1/2	32 1/2	..	4,000
127 1/2	105 1/2	120	Jan. 7	87	July 8	Assets Realization Co.	9,990,000	July 1, '13	2	Q	90 1/2	87	90 1/2	..	400
47	41 1/2	42 1/2	Jan. 30	42 1/2	Jan. 30	Associated Oil Co.	40,000,000	Apr. 15, '13	1 1/2	..	..	..	43 1/2	..	..
111 1/2	103 1/2	106 1/2	Jan. 6	92 1/2	June 12	Atchison, Topeka & Santa Fe	191,509,000	June 2, '13	1 1/2	Q	96 1/2	95	95 1/2	..	9,250
104 1/2	101 1/2	102 1/2	Jan. 29	96	July 9	Atchison, Topeka & Santa Fe pf.	114,199,500	Feb. 1, '13	2 1/2	SA	97	96	96 1/2	..	820
148 1/2	130 1/2	133 1/2	Jan. 9	112	June 11	Atlantic Coast Line	67,557,100	July 10, '13	3 1/2	SA	115	114	115	..	400
60 1/2	49	53 1/2	Jan. 8	40	June 10	BALDWIN LOCOMO. WORKS.	20,000,000	July 1, '13	1	SA	40	40	40	..	50
108 1/2	102 1/2	105 1/2	June 6	100 1/2	June 25	Baldwin Locomotive Works pf.	20,000,000	July 1, '13	3 1/2	SA	100 1/2	100 1/2	100 1/2	..	100
111 1/2	101 1/2	106 1/2	Jan. 22	90 1/2	June 10	Baltimore & Ohio	152,314,800	Mar. 1, '13	3	SA	93	91 1/2	92 1/2	..	2,841
91	86 1/2	88	Jan. 10	77 1/2	Jan. 18	Baltimore & Ohio pf.	60,000,000	Mar. 1, '13	2	SA	80	80	80	..	100
2 1/2	..	1 1/2	Jan. 17	1	Jan. 14	Batoplas Mining	8,931,980	Dec. 31, '07	12 1/2c	..	..	..	1 1/2	..	..
51 1/2	27 1/2	41 1/2	Jan. 9	25	June 10	Bethlehem Steel Corporation	14,862,000	..	..	..	29	27 1/2	29	..	300
80	56 1/2	72 1/2	Apr. 4	62 1/2	June 10	Bethlehem Steel Corporation pf.	14,908,000	Apr. 25, '13	1 1/2	Q	..	..	66 1/2	..	..
94 1/2	76 1/2	92 1/2	May 26	83 1/2	June 10	Brooklyn Rapid Transit Co.	49,078,000	July 1, '13	1 1/2	Q	87 1/2	85 1/2	86 1/2	..	2,520
149	137 1/2	137 1/2	Jan. 27	121	June 10	Brooklyn Union Gas	17,999,								

***New York Stock Exchange Transactions---Continued***

Range						STOCKS.		Amount		Last		Per		Range for Week Ended		Week's		Sale	
for Year 1912—				for Year 1913—				Capital		Dividend Paid		Cent.		High.		Net		End of	
High.	Low.	High.	Low.	High.	Low.	High.	Low.	Stock Listed.	Dividend	Paid	Per Cent.	Per Cent.	High.	Low.	High.	Low.	Change.	July 12.	July 12.
188½	155	187	Jan. 2	129½	June 10	General Electric Co.....	101,377,100	Apr. 15, '13	2	Q	138½	137	138½	+ 1	1,850				
42½	30	31½	Jan. 7	25	May 15	General Motors pf.....	15,683,000	May 1, '13	3½	SA	28½	27	28½	+ 1	900				
82½	70¼	79	Jan. 7	70	May 8	Goodrich (B. F.) Co.....	14,002,100	Feb. 15, '13	1½	Q	90	90	90	- 2	100				
81	68	Jan. 2	25½	June 10	Goodrich (B. F.) Co. pf.....	60,000,000	May 1, '13	1½	Q	123½	122	122	+ 3½	4,480					
109½	105	105¼	Jan. 7	89	June 10	Great Northern pt. sub. rec. 60 p. c. pd.	30,000,000	Dec. 27, '12	50c		32	30	31½	- 1½	300				
143½	126	132¾	Jan. 9	115½	June 10	Great Northern pts. for ore prod.	209,990,200	July 1, '13	75c	Q	42	40½	40½	- 1½	9,050				
62½	47	52¾	Jan. 7	40½	July 11	Guggenheim Exploration .....	20,262,000	May 15, '13	2½	SA	..	..	78	..	1,200				
89	87½	87	Feb. 6	81½	May 29	HAVANA ELECTRIC RY., L. & P.	15,000,000	May 15, '13	3	SA	..	..	96	..	..				
96½	95½	96	Jan. 8	96	Jan. 8	Havanna Electric Ry., Lt. & P. pf.	15,000,000	July 1, '13	2½	Q	..	..	150	..	..				
200	155	180	Jan. 11	150	May 19	Helme (G. W.) Co.....	4,000,000	July 1, '13	1½	Q	..	..	109	..	..				
116	109½	109	June 4	109	June 4	Helme (G. W.) Co. pf.....	3,940,200	June 25, '13	11½	Q	..	..	125	..	..				
150	127	125	June 4	125	June 4	Hocking Valley .....	11,000,000	Mar. 1, '13	3½	SA	114½	112	112½	- 2½	1,260				
112	86½	117½	Feb. 3	100½	July 7	Homestake Mining .....	25,116,000	Apr. 15, '13	½	Q	37	37	37	- 1	100				
141½	120½	128½	Feb. 5	108½	June 21	ILLINOIS CENTRAL .....	100,296,000	May 1, '13	1	Q	..	..	65	..	..				
19½	14½	19½	Jan. 2	14½	July 12	Inspiration Consolidated Copper .....	14,458,960	July 12, '13	3	SA	146½	144½	145½	- 1	25,400				
22	16¼	19½	Jan. 30	12½	June 4	Interborough-Met. vpt. tr. cfts.	60,419,500	June 2, '13	1½	Q	205	200	200	- 5	210				
67½	52¾	65½	Jan. 30	45	June 4	Interborough-Met. pf.....	16,955,900	July 1, '13	1½	Q	108½	108	108½	- 1½	329				
53½	36	39	Jan. 11	5	June 6	International Agricultural Co.	7,520,000	Jan. 15, '13	3½	SA	23	23	23	..	25				
99	89	90	Jan. 3	35	June 6	International Agricultural Co. pf.	12,955,600	Apr. 15, '13	1½	Q	103½	103½	103½	- ¼	100				
..	..	109	Feb. 28	96	June 10	Internat. Harvester, N. J.....	39,772,800	June 2, '13	1½	Q	113½	111½	111½	- 1½	300				
..	..	113½	July 10	111	May 12	Internat. Harvester Corp.	29,829,400	Apr. 15, '13	1½	Q	..	..	103½	..	..				
..	..	107½	Mar. 29	95½	June 10	Internat. Harvester Corp. pf.	39,772,700	June 2, '13	1½	Q	..	..	111½	..	..				
..	..	113½	May 7	111	May 12	International Paper Co.....	29,828,800	Apr. 15, '13	½	Q	37	37	37	- 1	100				
19½	9½	12½	Jan. 30	7½	June 10	International Paper Co. pf.	17,442,900	Apr. 1, '05	½	Q	6	6							



### New York Stock Exchange Transactions---Continued

Range Year		High.		Low.		Date.		STOCKS.		Amount Capital Stock Listed.		Last Dividend Paid Date.		Per Cent.		Per Cent.		Range for Week Ended July 12.			Week's Change.		Sale Price July 12.	
High.	Low.	High.	Low.	High.	Low.	Date.	Date.											High.	Low.	Last.	Change.			
175	158½	165	Jan. 2	152	June 10	Pullman Co.....	120,000,000	May 15, '13	..	Q	153	152½	153	-	1	27								
8½	3	4%	May 16	2½	July 12	QUICKSILVER .....	5,708,700	May 8, '01	..	..	2%	2½	2½	..	..	30								
12%	3½	8	May 17	4	Feb. 8	Quicksilver pf.....	4,291,300	May 8, '01	..	..	..	..	6	..	..	50								
40%	27½	35	Jan. 9	22½	June 11	RAILWAY STEEL SPRING CO. .	13,500,000	May 20, '13	2	..	24	23½	23½	-	½	10								
105	98¾	100	Jan. 13	90¾	June 10	Railway Steel Spring Co. pf....	13,500,000	June 20, '13	1¾	Q	91%	91%	91%	-	..	10								
88½	86¼	*81	Jan. 10	*79	Mar. 4	Railroad Sec. Ill. Cent. stock cfs..	8,000,000	July 1, '13	2	SA	..	..	*79	..	..	4,222								
24½	16	22	Jan. 2	15	June 10	Ray Consolidated Copper.....	14,495,750	June 30, '13	37½c	Q	16%	16½	16%	..	..	115,800								
179½	148½	168½	Jan. 2	151½	Jul. 10	Reading .....	70,000,000	May 8, '13	2	Q	157½	155½	157½	-	..	..								
93½	87½	92½	Apr. 10	86	June 10	Reading 1st pf.....	28,000,000	June 12, '13	1	Q	..	..	86	..	..	..								
101½	92	95	Apr. 10	84	June 10	Reading 2d pf.....	42,000,000	July 10, '13	1	Q	86	86	86	+	1	10								
35½	15½	28%	Jan. 31	17	June 10	Republic Iron & Steel Co.....	27,352,000	..	..	..	19	18½	19	+	..	4,500								
99%	64½	89½	Feb. 1	72	June 11	Republic Iron & Steel Co. pf....	25,000,000	July 1, '13	1¾	Q	76½	70¾	76½	-	..	59								
30½	22½	24½	Feb. 4	12½	June 10	Rock Island Co.....	90,888,200	..	..	..	15½	14½	15½	+	..	1,200								
59%	42½	44½	Jan. 2	20½	June 10	Rock Island Co. pf.....	49,947,400	Nov. 1, '05	1	..	25½	24½	25½	+	..	1,840								
101	89%	92½	Jan. 7	15	July 9	Rumely (M.) Co.....	10,908,300	Mar. 3, '13	1½	..	17½	15	15	-	2½	..								
103½	99½	99½	Jan. 4	36	July 1	Rumely (M.) Co. pf.....	9,750,000	Apr. 1, '13	1¾	..	38½	36	36	..	..	..								
..	..	*48	Mar. 8	*48	Mar. 8	ST. J.O. & GRAND I. 1st pf.....	5,500,000	July 15, '02	2½	..	..	..	48	..	..	..								
29½	17½	19½	Jan. 11	2%	June 17	St. Louis & San Francisco.....	29,000,000	..	..	..	5½	4½	4%	-	..	1,800								
69½	58½	59	Feb. 11	13	June 28	St. Louis & San Francisco 1st pf...	5,000,000	May 1, '13	1	Q	16	16	16	-	1	100								
43%	26½	29	Jan. 11	5½	June 17	St. Louis & San Francisco 2d pf...	16,000,000	Dec. 1, '05	1	..	7	6	6	-	..	1,440								
57	47	54½	Jan. 17	30	May 27	St. L. & S. F., C. & E. I. n. stock cfs.	13,761,000	Jan. 1, '13	2	..	..	..	30	..	..	..								
110	100½	96½	May 15	96½	May 15	St. L. & S. F., C. & E. I. pf. stock cfs.	8,402,500	Apr. 1, '13	1½	..	..	..	96½	..	..	..								
40%	29%	35½	Jan. 13	26	June 4	St. Louis Southwestern.....	16,356,200	..	..	..	26½	26	26½	-	..	200								
80%	68½	75	Jan. 9	65	June 12	St. Louis Southwestern pf.....	19,893,700	Apr. 15, '13	1¼	Q	65½	65½	65½	-	..	100								
27½	18	20%	Apr. 1	14½	June 10	Seaboard Air Line.....	33,176,500	..	..	..	..	..	18½	..	..	..								
56½	44½	48%	Jan. 20	38	June 12	Seaboard Air Line pf.....	22,468,000	..	..	..	42%	41%	41%	-	1½	700								
221	140	213½	Jan. 2	154½	June 12	Sears, Roebuck & Co.....	40,000,000	May 15, '13	1¾	Q	165	162	165	+	2	1,000								
124½	121	124½	Jan. 2	116	June 19	Sears, Roebuck & Co. pf.....	8,000,000	July 1, '13	1¾	Q	..	..	116	..	..	..								
59%	39%	45½	Jan. 28	23	July 8	Sloss-Sheffield Steel & Iron Co.....	10,000,000	Sep. 1, '10	1¼	..	23	23	23	-	1	100								
105	94	93½	Feb. 8	88	Apr. 30	Sloss-Sheffield Steel & Iron Co. pf.	6,700,000	July 1, '13	1¾	Q	90	90	90	+	2	200								
83	74½	70	Jan. 6	70	Jan. 6	South Porto Rico Sugar.....	3,371,000	July 1, '13	1	Q	..	..	70	..	..	..								
110	109	*108	Jan. 17	*102	June 2	South Porto Rico Sugar pf.....	3,708,500	July 1, '13	2	Q	..	..	*102	..	..	..								
115½	103½	110	Jan. 30	89%	June 11	Southern Pacific .....	272,672,400	July 1, '13	1½	Q	93½	90%	91%	-	2½	27,100								
32	26½	28%	Jan. 2	19%	June 12	Southern Railway extended.....	119,900,000	..	..	..	21½	20%	20%	-	..	3,580								
86%	68½	81½	Mar. 26	72	June 10	Southern Railway pf. extended....	60,000,000	Apr. 24, '13	2½	SA	..	..	75	..	..	..								
86	82	72½	Mar. 12	72½	Mar. 12	So. Ry., M. & O. stock tr. cfs..	5,670,200	Apr. 1, '13	2	SA	..	..	72½	..	..	..								
36	10%	40%	Jan. 31	31%	Apr. 25	Standard Milling .....	4,600,000	Aug. 3, '12	2	..	..	..	34½	..	..	..								
66	53	66½	Feb. 4	52½	May 1	Standard Milling pf.....	6,900,000	Apr. 15, '13	2½	SA	..	..	56	..	..	..								
49½	30	36	Feb. 6	21%	June 12	Studebaker Co .....	27,931,600	..	..	..	..	..	24½	..	..	..								
98½	90½	93½	Jan. 13	82½	June 17	Studebaker Co. pf.....	12,650,000	June 2, '13	1¾	Q	..	..	86½	..	..	..								
47½	34½	39½	Jan. 4	26%	June 10	TENNESSEE COPPER .....	5,000,000	June 20, '13	75c	..	28%	27½	28½	-	..	1,400								
130%	81	122½	Jan. 10	89	June 10	Texas Co .....	27,000,000	June 30, '13	1½	Q	105	105	105	-	..	400								
26½	20½	22%	Jan. 8	10½	June 4	Texas Pacific .....	38,760,000	..	..	..	14½	14	14	-	..	600								
97½	89	97	Jan. 18	93	June 4	Texas Pacific Land Trust.....	4,076,900	..	..	..	..	..	93	..	..	..								
49%	33½	40%	Jan. 2	27%	June 10	Third Avenue .....	16,381,100	..	..	..	31	30½	30½	-	1	500								
10%	2½	3	Jan. 14	2	June 4	Toledo Railways & Light.....	13,875,000	May 1, '07	1	..	..	..	2	..	..	..								
16%	10%	13	Jan. 9	7½	July 9	Toledo, St. Louis & Western.....	10,000,000	..	..	..	8½	7½	8½	-	..	300								
36	28	29%	Jan. 9	15½	June 4	Toledo, St. Louis & Western pf....	10,000,000	Oct. 16, '11	1	..	19	18%	19	+	..	200								
111½	103	108½	Jan. 23	101½	June 6	Twin City Rapid Transit.....	20,100,000	July 1, '13	1½	Q	..	..	103½	..	..	..								
145	145	137½	May 2	135	June 6	Twin City Rapid Transit pf.....	3,000,000	July 1, '13	1¾	Q	..	..	135	..	..	..								
115½	95	99½	Jan. 3	78	June 10	UNDERWOOD TYPEWRITER.....	8,500,000	July 1, '13	1	Q	83½	83½	83½	-	..	100								
114½	111	113	Jan. 21	104	July 10	Underwood Typewriter pf.....	4,800,000	July 1, '13	1¾	Q	104	104	104	-	4½	100								
17%	4%	7%	Jan. 3	4%	June 11	Union Bag & Paper Co.....	16,000,000	..	..	..	..	..	4%	..	..	..								
67%	35%	41%	Jan. 3	22	June 25	Union Bag & Paper Co. pf.....	11,000,000	Oct. 15, '12	1	..	..	..	25	..	..	..								
176%	150%	162%	Jan. 6	137½	June 11	Union Pacific .....	216,647,500	July 1, '13	2½	Q	146½	143	145½	-	1½	128,700								
96½	88½	93%	Jan. 6	79%	June 10	Union Pacific pf.....	99,569,300	Apr. 1, '13	2	SA	81½	81	81½	-	½	310								
64%	47	50½	Feb. 7	40½	June 10	United Cigar Manufacturers.....	10,847,500	May 1, '13	1	Q	41%	41%	41%	+	..	100								
100	104	103	May 7	98½	May 5	United Cigar Manufacturers pf....	5,000,000	May 31, '13	1¾	Q	..	..	101½	..	..	..								
102%	97%	101	Jan. 8	87	July 2	United Dry Goods.....	14,427,500	May 1, '13	2	Q	..	..	87	..	..	..								
107%	102½	105½	Jan. 14	96½	July 11	United Dry Goods pf.....	10,840,700	May 31, '13	1¾	Q	97	96½	96½	-	2%	600								
39%	28	35½	Jan. 3	16	June 11	United Railways Investment Co.....	20,400,000	..	..	..	19	16½	16½	-	3%	900								
69%	57	63½	Jan. 3	30	June 11	United Railways Investment Co. pf.	15,000,000	Jan. 10, '07	2½	..	33	31%	31%	-	1%	500								
22½	13	16%	Jan. 30	9½	June 10	United States Cast Iron P. & Fdy.Co.	12,106,300	Dec. 1, '07	1	..	10½	10%	10%	..	..	100								
64%	50	56%	Jan. 31	44½	June 6	United States Cast I.P. & Fdy.Co.pf.	12,106,300	Apr. 15, '13	1	Q	47½	47½	47½	..	..	200								
100	62%	66	Jan. 3	50%	Feb. 26	United States Express Co.....	10,000,000	May 15, '12	3	..	..	..	55%	..	..	..								
57%	26	44	Jan. 6	25	June 9	United States Industrial Alcohol.....	12,000,000	..	..	..	29	29	29	+	..	100								
105	95	97	Mar. 4	85	June 18	United States Industrial Alcohol pf.	6,000,000	Apr. 15, '13	1¾	Q	..	..	85	..	..	..								
86½	67	77	Jan. 9	59%	June 11	United States Realty & Improv. Co.	16,162,800	May 1, '13	1¾	Q	..	..	61%	..	..	..								
3%	1%	1%	Jan. 16	3%	May 12	United States Reduction & Ref. Co.	5,918,800	Apr. 1, '08	1	..	..	..	3%	..	..	..								
10½	3	4	Jan. 10	3	Apr. 25	United States Reduc. & Ref. Co. pf.	3,945,800	Oct. 10, '07	1½	..	..	..	3	..	..	..								
67%	45%	69½	Apr. 4	53	June 10	United States Rubber Co.....	36,000,000	Apr. 30, '13	1½	Q	6													

All stocks dealt in on a percentage of par basis except Anaconda Copper, Batopilas Mining, Chino Copper, Goldfield Consolidated Mines, Great Northern Certificates for ore properties, Guggenheim Exploration, Inspiration Consolidated Copper, Miami Copper, Nevada Consolidated Copper, Ray Consolidated Copper, Tennessee Copper, and Utah Copper, which are quoted dollars per share. Highest and lowest prices of the year are based usually on sales of not less than 100 shares, but where exceptions are

made the prices are marked thus, \*. Highest and lowest prices of the week are also based on 100 share lots, except in cases where only odd lots of a stock have been traded in. The last prices given for stocks for which no range for the week is shown are the last previous sales. †Also an extra dividend of  $4\frac{1}{2}$  per cent. ‡Also an extra dividend of 2 per cent. §Including 2 per cent. extra and 5 per cent. in stock. On March 20 Colorado Fuel & Iron preferred paid 35 per cent. on account of back dividends.

### Short Term Note Values

Name.	Rate.	Maturity.	Bid.	Ask.	Yield.	Name.	Rate.	Maturity.	Bid.	Ask.	Yield.	Name.	Rate.	Maturity.	Bid.	Ask.	Yield.
Amalgamated Copper.....	5	Mar. 15, '12	97 1/2	98 1/2	4.15	General Rubber.....	4	July, 1915	94	95 1/2	6.65	New York Central.....	4 1/2	May, 1917	97 1/2	98 1/2	6.75
American Locomotive.....	5	Oct., 1913	99 1/2	100 1/4	4.30	Hocking Valley.....	4 1/2	Nov., 1913	99 1/2	100	5.49	N. Y. N. H. & H.....	4 1/2	Dec., 1913	99 1/2	100	6.50
American Locomotive.....	5	Oct., 1914	99 1/2	99 1/2	5.40	Hudson Companies.....	6	Oct. 15, '13	97 1/2	100	6.49	New York Central.....	5	Feb., 1914	99 1/2	100 1/4	4.80
Austrian Government.....	4 1/2	July, 14-15	96 1/4	97 1/4	6.45	Illinois Central.....	4 1/2	July, 1914	98 1/2	99 1/4	5.80	Northern Pacific.....	6	June 9, '14	99 1/2	100	6.00
Baltimore & Ohio.....	5	July, 1914	98 1/2	99 1/2	6.00	Int. Great N. Pac.....	5	Aug., 1914	99	99 1/2	5.75	St. Louis & San Fran.....	5	June, 1913	97 1/2	98 1/2	6.50
Boston & Maine.....	5	June 1, '14	98 1/2	98 1/2	9.40	International Harvester.....	5	Aug., 1913	98	99	5.80	St. Louis & San Fran.....	5	Sept., 1913	97 1/2	98 1/2	6.50
Boston & Maine.....	6	June 2, '14	95 1/2	97 1/2	9.75	Lackawanna Steel.....	5 1/2	Mar., 1913	93	95	8.60	Seaboard Air Line.....	5 1/2	Mar., 1916	97 1/2	98 1/2	5.55
Brooklyn Rapid Transit.....	5	July, 1918	94	94 1/2	6.25	Lake Shore & Mich. So.....	4 1/2	Mar. 15, '14	99	99 1/2	5.60	Southern Pacific.....	5	June 15, '14	98 1/2	99	6.05
Chesapeake & Ohio.....	4 1/2	June, 1914	96 1/2	96 1/2	8.00	Mexican Monetary Com.....	4 1/2	Feb., 1913	97	99 1/2	13.50	Southern Railway.....	5	Feb., 1916	97 1/2	98 1/2	6.00
Chicago & North Western.....	5	July, 1914	98 1/2	98 1/2	8.45	Micula.....	5	Sept., 1913	97 1/2	98 1/2	6.50	Warren & St. L.....	5	Aug., 1914	97 1/2	98 1/2	6.00
Chicago Elevated Ry.....	5	July, 1914	92	94	11.00	Minn. & St. Louis.....	6	Feb., 1914	88	93	17.00	U. S. S. R. M.....	5	Aug., 1914	97	99	6.00
Consolidated Gas.....	6	Feb. 23, '14	100	100 1/2	5.50	Mo. Kansas & Texas.....	5	May, 1915	95	97	6.55	Union Typewriter.....	5	Jan., 1916	95 1/2	97	6.25
Erie.....	6	Apr. 8, '14	98 1/2	99 1/2	7.20	Missouri Pacific.....	5	June, 1914	93	94	11.25	United Fruit.....	6	May, 1917	99 1/2	100 1/4	5.50
Erie.....	5	Oct., 1915	95 1/2	96 1/2	8.80	Mt. Pleasant P.....	6	Apr., 1914	98 1/2	99 1/2	6.15	Wabash.....	5	Apr., 1915	97 1/2	98 1/2	6.75
Erie.....	5	Oct., 1915	95 1/2	96	7.55	New York Central.....	4 1/2	Mar., 1915	99	99 1/2	5.80	Washington & Mfg Co.....	4 1/2	Aug., 1915	98 1/2	99	6.50
General Motor.....	6	Oct., 1915	97 1/2	98	6.75	New York Central.....	4 1/2	Apr. 21, '14	91	95 1/2	5.90	West Maryland.....	5	July, 1915	94	98	6.00

# Week's Bond Trading

Week Ended July 12

Total Sales \$7,695,600 Par Value

R'ge for '12.				R'ge for '13.			
High.	Low.	High.	Low.	High.	Low.	High.	Low.
97 1/2	97 1/2	97 1/2	97 1/2	97 1/2	97 1/2	97 1/2	97 1/2
101 1/2	99	102 1/2	98 1/2	101 1/2	98 1/2	101 1/2	98 1/2
82	72 1/2	76 1/2	70	82	72 1/2	76 1/2	70
106	102 1/2	105	101 1/2	106	102 1/2	105	101 1/2
116 1/2	108 1/2	110 1/2	97 1/2	116 1/2	108 1/2	110 1/2	97 1/2
91 1/2	88 1/2	90	86	91 1/2	88 1/2	90	86
103 1/2	98 1/2	104 1/2	94 1/2	103 1/2	98 1/2	104 1/2	94 1/2
97 1/2	91 1/2	97 1/2	94	97 1/2	91 1/2	97 1/2	94
91 1/2	88	90 1/2	81	91 1/2	88	90 1/2	81
84 1/2	76 1/2	79 1/2	70	84 1/2	76 1/2	79 1/2	70
92 1/2	90 1/2	92	89 1/2	92 1/2	90 1/2	92	89 1/2
99 1/2	96 1/2	98 1/2	92 1/2	99 1/2	96 1/2	98 1/2	92 1/2
107 1/2	100 1/2	103 1/2	92 1/2	107 1/2	100 1/2	103 1/2	92 1/2
110 1/2	105	105 1/2	93	110 1/2	105	105 1/2	93
92 1/2	87 1/2	88 1/2	83	92 1/2	87 1/2	88 1/2	83
92 1/2	87 1/2	88	83	92 1/2	87 1/2	88	83
106 1/2	99 1/2	100 1/2	96 1/2	106 1/2	99 1/2	100 1/2	96 1/2
96 1/2	94	93 1/2	92	96 1/2	94	93 1/2	92
111	104 1/2	105 1/2	98	111	104 1/2	105 1/2	98
110	110	105	99 1/2	110	110	105	99 1/2
96 1/2	94 1/2	95 1/2	87	96 1/2	94 1/2	95 1/2	87
96 1/2	91	92 1/2	86 1/2	96 1/2	91	92 1/2	86 1/2
99 1/2	95 1/2	97 1/2	90	99 1/2	95 1/2	97 1/2	90
97 1/2	91 1/2	97 1/2	88 1/2	97 1/2	91 1/2	97 1/2	88 1/2
93 1/2	90 1/2	91 1/2	88	93 1/2	90 1/2	91 1/2	88
91 1/2	88 1/2	90 1/2	85 1/2	91 1/2	88 1/2	90 1/2	85 1/2
92	88 1/2	90 1/2	82 1/2	92	88 1/2	90 1/2	82 1/2
102	93 1/2	96 1/2	92 1/2	102	93 1/2	96 1/2	92 1/2
87 1/2	87	86 1/2	79 1/2	87 1/2	87	86 1/2	79 1/2
94 1/2	87 1/2	92 1/2	84 1/2	94 1/2	87 1/2	92 1/2	84 1/2
103 1/2	102 1/2	103 1/2	99 1/2	103 1/2	102 1/2	103 1/2	99 1/2
103 1/2	100 1/2	102 1/2	99 1/2	103 1/2	100 1/2	102 1/2	99 1/2
102 1/2	101	101 1/2	99 1/2	102 1/2	101	101 1/2	99 1/2
107 1/2	105 1/2	106 1/2	103 1/2	107 1/2	105 1/2	106 1/2	103 1/2
99 1/2	94	96	91	99 1/2	94	96	91
106 1/2	101 1/2	106 1/2	98 1/2	106 1/2	101 1/2	106 1/2	98 1/2
96 1/2	91 1/2	97 1/2	86 1/2	96 1/2	91 1/2	97 1/2	86 1/2
122 1/2	118	119 1/2	114	122 1/2	118	119 1/2	114
110 1/2	106 1/2	108	102	110 1/2	106 1/2	108	102
103	101	101 1/2	99 1/2	103	101	101 1/2	99 1/2
97	94	96 1/2	90	97	94	96 1/2	90
91 1/2	90 1/2	91	88	91 1/2	90 1/2	91	88
102	99	101	91 1/2	102	99	101	91 1/2
111 1/2	109	110	103	111 1/2	109	110	103
94	92	92 1/2	79	94	92	92 1/2	79
96	91 1/2	93 1/2	86	96	91 1/2	93 1/2	86
65 1/2	60 1/2	63 1/2	50	65 1/2	60 1/2	63 1/2	50
72 1/2	66 1/2	68	64	72 1/2	66 1/2	68	64
98 1/2	94 1/2	96 1/2	93	98 1/2	94 1/2	96 1/2	93
98 1/2	94 1/2	96	92 1/2	98 1/2	94 1/2	96	92 1/2
97 1/2	94 1/2	96 1/2	90 1/2	97 1/2	94 1/2	96 1/2	90 1/2
100 1/2	97 1/2	98 1/2	93 1/2	100 1/2	97 1/2	98 1/2	93 1/2
99 1/2	96 1/2	97	93	99 1/2	96 1/2	97	93
111 1/2	108 1/2	108	97	111 1/2	108 1/2	108	97
83	75	77 1/2	71	83	75	77 1/2	71
109 1/2	106 1/2	105 1/2	100	109 1/2	106 1/2	105 1/2	100
129 1/2	124 1/2	125	116 1/2	129 1/2	124 1/2	125	116 1/2
99 1/2	96 1/2	99	90 1/2	99 1/2	96 1/2	99	90 1/2
92 1/2	90	91 1/2	86	92 1/2	90	91 1/2	86
107	101 1/2	106 1/2	95	107	101 1/2	106 1/2	95
95 1/2	92 1/2	94	85	95 1/2	92 1/2	94	85
106 1/2	104 1/2	105 1/2	101 1/2	106 1/2	104 1/2	105 1/2	101 1/2
87	83 1/2	85 1/2	78 1/2	87	83 1/2	85 1/2	78 1/2
108 1/2	104 1/2	107 1/2	100 1/2	108 1/2	104 1/2	107 1/2	100 1/2
98 1/2	95 1/2	98 1/2	92 1/2	98 1/2	95 1/2	98 1/2	92 1/2
96 1/2	92 1/2	94 1/2	84	96 1/2	92 1/2	94 1/2	84
90 1/2	86 1/2	88 1/2	79	90 1/2	86 1/2	88 1/2	79
94 1/2	89	90	75	94 1/2	89	90	75
108 1/2	106 1/2	106 1/2	104 1/2	108 1/2	106 1/2	106 1/2	104 1/2
73 1/2	64 1/2	66 1/2	49 1/2	73 1/2	64 1/2	66 1/2	49 1/2
105	102	102 1/2	98	105	102	102 1/2	98
85 1/2	72 1/2	85	77 1/2	85 1/2	72 1/2	85	77 1/2
97 1/2	93	94 1/2	89	97 1/2	93	94 1/2	89
98 1/2	93	94 1/2	90 1/2	98 1/2	93	94 1/2	90 1/2
97	91 1/2	97 1/2	85 1/2	97	91 1/2	97 1/2	85 1/2
97	91 1/2	97 1/2	85 1/2	97	91 1/2	97 1/2	85 1/2
99 1/2	97 1/2	99 1/2	93 1/2	99 1/2	97 1/2	99 1/2	93 1/2
90	81	84 1/2	67	90	81	84 1/2	67
99 1/2	93 1/2	99	85	99 1/2	93 1/2	99	85
90 1/2	84 1/2	89 1/2	80 1/2	90 1/2	84 1/2	89 1/2	80 1/2
78 1/2	68	70	54 1/2	78 1/2	68	70	54 1/2
94 1/2	84 1/2	90	79 1/2	94 1/2	84 1/2	90	79 1/2
90	85 1/2	87	82	90	85 1/2	87	82
91 1/2	81	82 1/2	66	91 1/2	81	82 1/2	66
80 1/2	75	77 1/2	65	80 1/2	75	77 1/2	65
116 1/2	115 1/2	109 1/2	109 1/2	116 1/2	115 1/2	109 1/2	109 1/2
79 1/2	73 1/2	76	66 1/2	79 1/2	73 1/2	76	66 1/2
118 1/2	115	109 1/2	109 1/2	118 1/2	115	109 1/2	109 1/2
102 1/2	101 1/2	101 1/2	98 1/2	102 1/2	101 1/2	101 1/2	98 1/2
112 1/2	106	108	104 1/2	112 1/2	106	108	104 1/2
97 1/2	97	96 1/2	90 1/2	97 1/2	97	96 1/2	90 1/2
84	80	82	76	84	80	82	76
104 1/2	102	105 1/2	101 1/2	104 1/2	102	105 1/2	101 1/2
100 1/2	98 1/2	100	97 1/2	100 1/2	98 1/2	100	97 1/2
101 1/2	99 1/2	100 1/2	97 1/2	101 1/2	99 1/2	100 1/2	97 1/2
18	10 1/2	17 1/2	11	18	10 1/2	17 1/2	11
103	100	101 1/2	96	103	100	101 1/2	96
96 1/2	93	96	90	96 1/2	93	96	90
92 1/2	88 1/2	89 1/2	81 1/2	92 1/2	88 1/2	89 1/2	81 1/2
101 1/2	100	101 1/2	98 1/2	101 1/2	100	101 1/2	98 1/2
110 1/2	104 1/2	108 1/2	94 1/2	110 1/2	104 1/2	108 1/2	94 1/2
105	102 1/2	104 1/2	102 1/2	105	102 1/2	104 1/2	102 1/2
84 1/2	78	81 1/2	71 1/2	84 1/2	78	81 1/2	71 1/2
70 1/2	63	66 1/2	53 1/2	70 1/2	63	66 1/2	53 1/2
82 1/2	77 1/2	79 1/2	73 1/2	82 1/2	77 1/2	79 1/2	73 1/2
104 1/2	102	105	100	104 1/2	102	105	100
91 1/2	84 1/2	91 1/2	84	91 1/2	84 1/2	91 1/2	84
118	111 1/2	113 1/2	105	118	111 1/2	113 1/2	105
80 1/2	76 1/2	78	65	80 1/2	76 1/2	78	65
98 1/2	96 1/2	96 1/2	90 1/2	98 1/2	96 1/2	96 1/2	90 1/2
86 1/2	83 1/2	86	81 1/2	86 1/2	83 1/2	86	81 1/2
106 1/2	104	104 1/2	101 1/2	106 1/2	104	104 1/2	101 1/2
103	101 1/2	102 1/2	100	103	101 1/2	102 1/2	100
103	101 1/2	102 1/2	100	103	101 1/2	102 1/2	100



Stock.	Market.	Sales.	High.	Low.	Last.
McElwain 1st pf.....	Boston	98	98½	97½	98½
MacDonald Co.....	Montreal	295	44½	39½	39½
MacDonald .....	Toronto	145	46½	40	40
Maple Leaf Mill pf.....	Toronto	164	91½	90	90½
Mergenthaler Lino.....	Wash.	81	214½	213	213
Midwest Oil.....	Denver	5,090	170	165	170
Midwest Oil pf.....	Denver	2,009	175	170	175
Monarch pf.....	Toronto	16	88	88	88
Mon. River Coal Co.....	Pittsburgh	\$13,000	115	115	115
Montreal Cottons pf.....	Montreal	10	100	100	100
Morris 4½s.....	Chicago	\$2,000	80½	80½	80½
National Brick .....	Montreal	325	55	53½	52½
National Brick bonds.....	Mont.	\$2,000	75	75	75
National Candy.....	St. Louis	45	8½	8½	8½
Nat. Firep'f g.....	Pittsburgh	135	7	7	7
Nat. Firep'f g pf.....	Pittsburgh	115	25½	25	25½
N. & W. Steamboat 5s.....	Wash.	\$500	104	104	104
N. E. Cotton Yarn 5s.....	Boston	\$11,000	90	90	90
Nat. Refining pf.....	Cleveland	18	125	125	125
Nova Scotia S. & C.....	Montreal	10	71	71	71
Nova Scotia S. & C.....	Toronto	10	70½	70½	70½
Ogilvie Milling.....	Montreal	115	109	107	107
Ogilvie Milling .....	Toronto	25	109½	109½	109½
Ohio Fuel Oil.....	Pittsburgh	326	17½	16½	16½
Ohio Fuel Supply.....	Pittsburgh	55	42½	42½	42½
Okl. Gas .....	Pittsburgh	20	61	61	61
Pacific Burt.....	Toronto	12	32	32	32
Pacific Burt pf.....	Toronto	10	85	85	85
Pennans .....	Montreal	25	58	52½	52½
Pennsylvania Salt.....	Phila.	170	105	103	103
Pittsburgh Brew.....	Pittsburgh	645	11½	109½	11½
Pitts. Brew. pf.....	Pittsburgh	220	35½	35	35
Pitts. Brew Co.....	Pittsburgh	\$5,000	93	93	93
Pittsburgh Coal pf.....	Pittsburgh	200	76½	75½	76½
Pitts. Coal deb. 5s.....	Pittsburgh	\$4,000	90	90	90
Pitts. Oil & Gas.....	Pittsburgh	100	7	7	7
Pitts. Plate Glass.....	Pittsburgh	55	91	91	91
Price Bros 6s.....	Montreal	\$100	54	54	54
Pullman Palace Car.....	Boston	68	153½	153	153½
Pure Oil .....	Pittsburgh	1,625	14½	13½	14
Quaker Oats .....	Chicago	15	212½	212½	212½
Quaker Oats pf.....	Chicago	25	101	101	101
Reece Button.....	Boston	2	15½	15½	15½
Rich. & Ont. Nav.....	Montreal	621	108	104½	106
Rio Janeiro 5s.....	Toronto	\$1,000	97	97	97
Rogers pf.....	Toronto	8	169	169	169
Sawyer-Massey pf.....	Montreal	5	85	85	85
Sawyer-Massey pf.....	Toronto	2	87	87	87
Sears-Roebeck .....	Chicago	3,462	166	161½	165½
Sherwood-Williams....	Mont.	75	50	50	50
Sherwood-Williams pf.....	Mont.	90	97	95	95
Shredded Wheat....	Toronto	5	75	75	75
Spanish-Am. I. & S. Co.....	Phila.	\$400	100½	100½	100½
Spanish R. Pap. & G.....	Mont.	2,205	50	45	45
Spanish R. Pap. & G.....	Toronto	1,330	48½	45	46½
Spanish R. P. & G. pf.....	Toronto	13	80	88	88
Spanish R. P. & G. pf.....	Mont.	20	89	85½	88½
Spanish R. P. & G. pf.....	Mont.	\$1,000	92	92	92
Spring Val. Water.....	San Fran.	565	51	50	51
Steel Co. of Canada.....	Toronto	19	19	19	19

## INDUSTRIALS—Continued

Stock.	Market.	Sales.	High.	Low.	Last.
Steel Co. of Canada, Montreal		5	19	19	19
Steel Co. of Can. pf., Toronto		154	80½	80½	80½
Steel Co. of Can. pf., Montreal		57	80½	80	80½
Steel Co. of Can. 6s., Toronto		\$500	96	96	96
Street's Stable Car., Chicago		120	6	6	6
Suburb Realty, New Orleans		183	15	13½	13½
Swift & Co., Chicago		865	105½	104½	104½
Swift & Co., Boston		432	105½	104½	104½
Toronto Paper, Toronto		45	94	93½	93½
Torrington, Boston		206	28	27½	27½
Torrington pf., Boston		10	27½	27½	27½
Tuckett's Tobacco, Montreal		25	43½	43½	43½
Tuckett's Tobacco pf., Montreal		10	93½	85	85
Union Oil, Los Angeles		249	75	74	74½
Union Prov. Oil, Los Angeles		10	83½	83½	83½
Union Sand, St. Louis		18	72	71½	71½
Union S. & Signal, Pittsburgh		60	125	124	124
United Fruit, Boston		781	153	151½	152½
United Fruit 4½s., 1923, Boston		\$2,000	94	93½	94
United Oil, Los Angeles		2,000	14½	13	13
United Shoe Machine, Boston		456	45½	44½	45½
Un. Shoe Machine pf., Boston		344	28	27	27
U. S. Steel, Chicago		850	53	51½	53
U. S. Steel, Philadelphia		12,700	53½	51½	52½
U. S. Steel, Boston		4,188	53	51½	52½
U. S. Steel pf., Boston		72	104½	104	104½
U. S. Steel pf., Philadelphia		20	104½	104	104
Upton Nut Co., Cleveland		\$4,000	103	103	103
Wayagamack P. & P., Mont.		185	27	26	26
Wayagamack P. & P. 5s., Mont.		\$12,500	71½	70	70
Welsbach 5s., Philadelphia		\$4,000	91	90½	91
West. Air Brake, Pittsburgh		275	127	124½	124½
West. Elec. & Mfg., Pitts.		255	29	28½	28½
Westmoreland Coal, Phila.		3	58	58	58
Westmoreland Coal war, Phila.		520	7½	5½	6½

## Railroads

Transactions and range of quotations of railroad stocks in markets other than New York:

Stocks.	Market.	Sales.	High.	Low.	Last.
Atchafalaya, Boston		53	95½	95½	95½
Atchafalaya pf., Boston		15	96½	95½	96½
Atchafalaya 4s., Boston		\$2,000	94	93½	93½
A. C. Line of Conn. 5-20s., Balt.		\$100	100	100	100
A. C. Line of S. C., Balt.		\$2,000	87½	87½	87½
Boston & Albany, Boston		82	198½	196½	197½
Boston & Maine, Boston		908	63	53	61
Boston & Maine pf., Boston		50	100	100	100
Canadian Pacific, Montreal		3,066	214½	208½	212
Canadian Pacific, Toronto		350	214	209½	210½
Conn. River R. R., Boston		5	200	200	200
Coal & Coke Ry. 5s., Balt.		\$2,000	94	94	94
Ches. & Ohio, Philadelphia		200	92	91½	91½
Choctaw & Memphis 5s., Phila.		\$1,000	100	100	100
C. B. & Q. Joint 4s., Boston		\$27,000	94	93½	93½
Chi. Jct. & S. Y. pf., Boston		5	103	103	103
C. J. & S. Y. 5s., 1915, Boston		\$12,000	90	88½	89
Denver & N. W., Denver		10	100	100	100
Pittsburg pf., Boston		10	102	101	101
Ga. & Caro. & Nor. 5s., Balt.		\$1,000	101	101	101
Georgia & Alabama 5s., Balt.		\$1,000	101	101	101
Lehigh Valley, Philadelphia		200	73	72½	72½

Stock.	Market.	Sales.	High.	Low.	Last.
Lehigh Val. gen. 4s., Phila.		\$12,000	94½	94	94
Lehigh Val. Coal 5s., Phila.		\$1,000	105	105	105
M. St. P. & S. S. M., Mon.		50	122	122	122
Minerhill, Philadelphia		2	56½	56½	56½
Maine Central, Boston		33	100½	100½	100½
N. Y. Central, Phila.		300	96	95½	95½
N. Y., N. H. & H., Boston		1,143	102½	100½	102½
N. Y., N. H. & H. 6s., Boston		\$1,000	117½	117½	117½
Norfolk & W., Philadelphia		103	103½	103	103
N. Y. Cent. L. S. 4s., Boston		\$6,000	90½	90½	90½
Norfolk Central, Phila.		17	92	92	92
Norfolk Central, Phila.		25	116	116	116
Old Colony R. R., Boston		9	161	161	161
Penn. 3½s., 1915, Boston		\$1,000	90½	90½	90½
Penn. R. R., Philadelphia		2,900	55½	55½	55½
Penn. R. R. con. 4s., '48, Phila.		\$5,000	99½	99½	99½
Phila., Wilm. & B. 4s., Phila.		\$3,000	97½	97½	97½
Reading, Philadelphia		4,485	78½	77 11-16	78½
Reading, N. J. C. 4s., Phila.		\$5,000	93	93	93
Reading gen. 4s., Philadelphia		\$2,000	95	94½	95
Spar. Point R. R. 4½s., Balto.		\$1,000	93½	93½	93½
Southern Pacific, Philadelphia		200	92½	92	92
Southern Railway, Phila.		100	21	21	21
Union Pacific, Boston		55	146	144	144
Union Pacific, Philadelphia		20	143½	143½	143½
Union Pacific 1st 4s., Boston		\$1,000	90	90	90
Wash., B. & Annap. pf., Cleve.		4	34½	34½	34½
Wash., B. & Annap. 5s., Cleve.		\$11,000	82	81	81
West Jersey & S., Phila.		5	60½	60½	60½
West. Pacific R. R. San. Fran.		110	6	6	6

## Banks, Etc.

Stock.	Market.	Sales.	High.	Low.	Last.
Alliance Ins., Philadelphia		64	15½	15½	15½
Bank of Brit. N. A., Montreal		17	146	145	145
Bank of Commerce, N.A. Cleve.		60	210	210	210
Bank of Commerce, Montreal		154	202	200	200
Bank of Commerce, St. Louis		55	129	128	128
Bank of Commerce, Toronto		10	203½	202	203½
Bankers Trust, St. Louis		20	195	195	195
Canal-L.A. B. & T. Co. New Or.		57	98	98	98
Can. Perm., Toronto		32	188	188	188
Continental Trust, Washington		40	115	115	115
Colonial Investment, Toronto		16	80	80	80
Chicago Title & T., Chicago		20	204	204	204
Dominion Bank, Toronto		60	215½	214	215
Federal Nat., Washington		20	135½	135	135½
Fidelity & Deposit, Balt.		35	146½	145	145
Fidelity Trust, Balt.		2	245	245	245
Hamilton Bank, Toronto		17	202½	202	202½
Hochelaga, Montreal		5	153½	153½	153½
Huron & E. 20 p. c. pd., Tor.		39	208	208	208
Imperial Bank, Toronto		113	211	210	210
Ins. Co. of N. A., Phil.		15	21½	21½	21½
Md. Casualty, Balt.		8	95	95	95
Merchants, Toronto		5	186	186	186
Merchants, Montreal		5	186	186	186
Mer. & Mechanics, Balt.		120	32½	32½	32½
Metropolitan Bank, N. O.		20	155	150	150
Molson's, Montreal		20	192½	191	191
Montreal, Montreal		13	228	227½	228
Montreal, Toronto		8	227½	227½	227½
Motor Car Ins., Balto.		5	100	100	100
Nova Scotia Bank, Toronto		20	250	257	257
Nova Scotia Bank, Montreal		62	258	256	256

Stock.	Market.	Sales.	High.	Low.	Last.
Quebec Bank, Montreal		4	122	122	122
Royal Bank, Toronto		12	216	215½	215½
Royal Bank, Montreal		75	215½	214½	215
Standard Bank, Toronto		56	213½	212	212
Toronto Bank, Toronto		11	204½	203	203
Toronto Bank, Montreal		5	205	205	205
Toronto Mortgage, Toronto		1	148	148	148
Union, Montreal		55	138	138	138
Union Sav. & Loan, Cleve.		20	115	115	115
U. S. Fidelity, Balto.		35	188	187½	188
Whitney Central Bank, N. O.		17	265	250	250

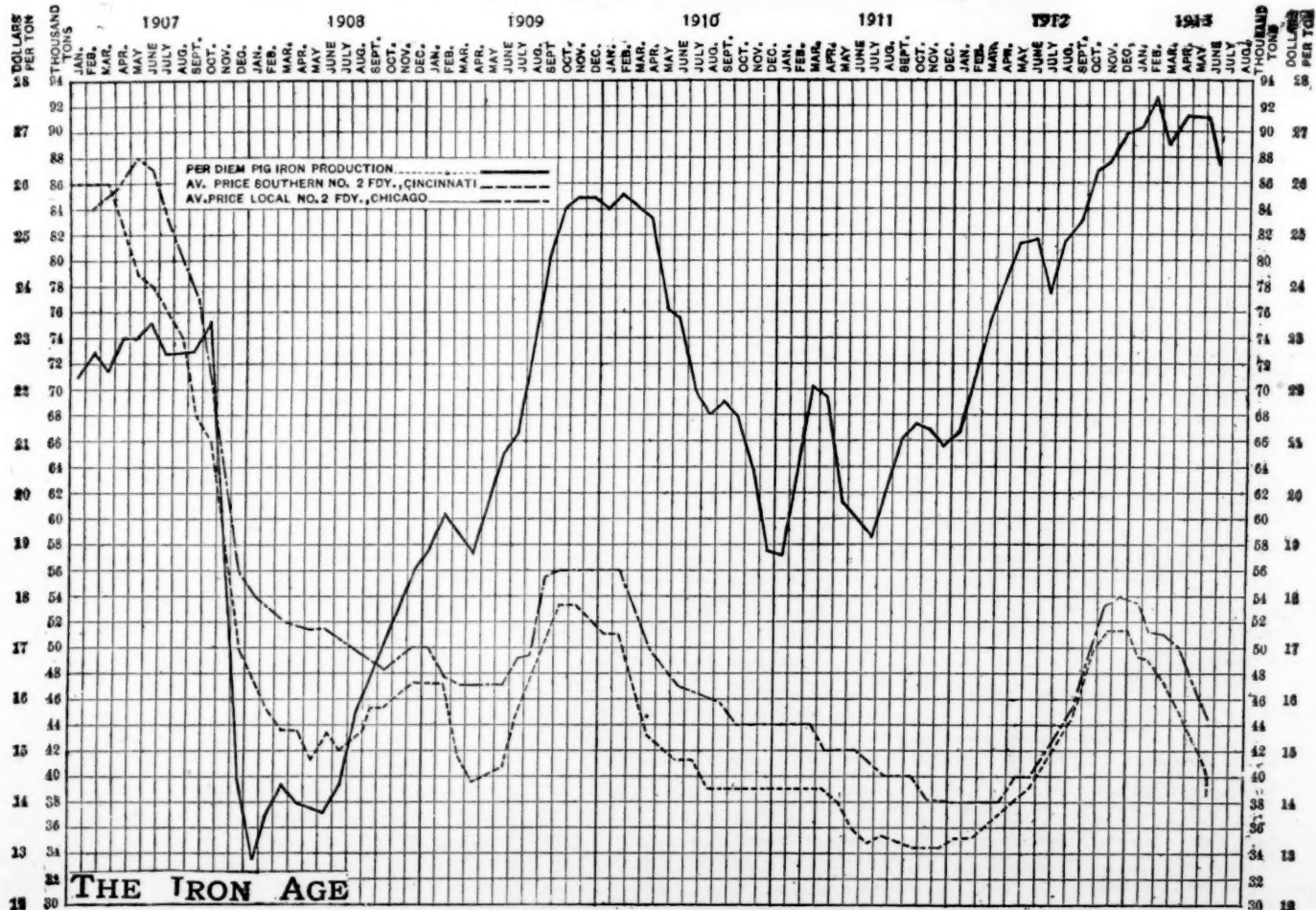
## CONSOLIDATED STOCK EXCHANGE

For Week Ended July 12, 1913.

Sales.	First.	High.	Low.	Last.
17,520 .AMAL. COPPER, .....	64½	64½	62½	64½
80 .American Beet Sugar, .....	21½	22	21½	22
5,900 .American Can, .....	27½	28½	26½	27½
20 .American Cotton Oil, .....	35½	35½	35½	35½
20 .American Locomotive, .....	29½	29½	29½	29½
2,100 .Amer. Smelt. & Ref., .....	61½	62½	60½	61½
120 .Anaconda Copper Co., .....	32½	32½	31½	32
260 .At. Topeka & Santa Fe, .....	96	96	95	95½
130 .BALTIMORE & OHIO, .....	93	93	92	92½
410 .Brooklyn Rapid Transit, .....	87	87½	85½	86½
20 .CALIFORNIA PETROL, .....	28½	28½	28½	28½
4,000 .Canadian Pacific, .....	214½	215½	208½	213½
10 .Central Leather Co., .....	21	21	21	21
1,970 .Chesapeake & Ohio, .....	53½	53½	51	52½
230 .Chl. Mil. & St. Paul, .....	102½	103½	102	102½
20 .Consolidated Gas, .....	129	129	128½	128½
90 .Corn Products Refining, .....	10	10	9½	9½
1,050 .ERIE, .....	25	25½	23½	25½
20 .Erie 1st pf., .....	30	30	28½	28½
180 .GT. NORTHERN pf., .....	123½	123½	121½	122
200 .Gt. N. cfs. for ore prop., .....	31½	31½	30½	31½
30 .ILLINOIS CENTRAL, .....	113	113	113	113
10 .Inter-Met. V. Tr. cfs., .....	14½	14½	14½	14½
320 .Inter-Met. pf., .....	55½	55½	53½	54½
1,080 .LEHIGH VALLEY, .....	145½	146	144½	145½
20 .MIAMI COPPER, .....	20½	20½	20½	20½
530 .Missouri Pacific, .....	30	30½	29½	30½
30 .NATIONAL LEAD, .....	45½	45½	45½	45½
20 .Nevada Consol. Copper, .....	14½	14½	14½	14½
1,070 .New York Central, .....	97	97	95½	96
40 .N. Y., N. H. & H., .....	102	102	101½	101½
110 .N. Y. O. & W., .....	20	20	28½	28½
400 .Northern Pacific, .....	107½	108	105½	106½
20 .PACIFIC MAIL, .....	18½	18½	18½	18½
420 .Pennsylvania R. R., .....	111½	111½	110½	111½
50 .RAY CONSOL. COP., .....	16½	16½	16½	16½
33,700 .Reading, .....	157½	157½	155½	157½
10 .Republic Iron & Steel, .....	18½	18½	18½	18½
170 .Rock Island Co., .....	15½	15½	15	15½
60 .Rock Island Co. pf., .....	25½	25½	25½	25½
2,550 .SOUTHERN PACIFIC, .....	93½	93½	90½	91½
40 .Southern Ry. extended, .....	20½	21½	20½	21
10 .TENNESSEE COPPER, .....	28	28	28	28
30 .Third Avenue, .....	31	31	31	31
26,470 .UNION PACIFIC, .....	146½	146½	143	145½
110 .United States Rubber, .....	60½	60½	59½	60
21,490 .United States Steel, .....	52½	53	51½	52½
20 .United States Steel pf., .....	104	104	103½	103½
30 .Utah Copper, .....	42½	42½	41½	42½
10 .WEST. UNION TEL., .....	60	60	60	60

112,100

## Curves of Prices and Production of Pig Iron



The Decline in Production in June Was Not So Large as Expected. The Daily Rate Fell from 91,039 to 87,619 Gross Tons.



# Latest Earnings of Important Railroads

Below are shown the earnings of important railroads according to the latest reports published. The net earnings are in some cases the figure resulting from the

deduction of expenses alone from gross receipts, in others it is the amount remaining after taxes have been paid and car settlements made with other railroads. As

each railroad reports its net in the same way from month to month, these figures, published currently, are the best guide to those interested.

## May Gross and Net Earnings

May Compared with the Same Month in 1912.

Gross		Net	
Amount.	Change.	Amount.	Change.
\$9,368,398	+ \$154,703	\$2,852,798	— \$217,024
2,924,071	+ 22,188	610,490	— 108,335
8,967,456	+ 714,461	2,675,981	— 47,381
3,973,644	+ 114,593	641,933	— 271,083
2,218,400	+ 396,300	680,200	+ 222,100
11,904,979	+ 544,558	3,504,030	+ 176,485
1,003,172	+ 24,619	89,816	— 73,068
2,518,184	+ 648,156	911,855	+ 538,415
2,944,557	+ 135,576	898,226	+ 34,506
1,252,690	+ 208,686	161,619	— 88,151
1,127,245	+ 104,093	230,706	+ 74,047
7,338,031	+ 972,514	2,123,591	+ 607,750
6,690,023	+ 569,705	1,509,314	+ 238,232
1,304,492	+ 89,128	282,876	— 86,045
1,253,457	+ 232,673	342,847	+ 89,156
1,908,031	+ 485,526	639,897	+ 315,995
3,569,323	+ 1,162,951	1,166,202	+ 812,207
1,912,734	+ 27,265	408,280	— 998
5,410,711	+ 1,125,173	1,634,089	+ 741,934
7,007,940	+ 1,340,230	2,504,045	+ 778,153
5,620,309	+ 627,180	1,070,874	+ 225,108
901,364	+ 136,834	297,413	+ 91,939
3,795,218	+ 1,494,507	1,054,089	+ 526,929
5,071,380	+ 403,204	719,474	— 291,181
1,605,652	+ 181,818	378,165	— 92,867
889,607	+ 51,099	198,620	— 8,120
2,409,626	+ 322,721	564,071	+ 87,318
5,105,686	+ 529,179	1,681,686	+ 357,709
1,184,985	+ 225,797	291,004	+ 54,240
1,137,435	+ 32,485	249,794	— 906
3,618,667	— 963,317	832,998	+ 178,436
25,718,506	+ 4,001,744	5,980,940	+ 1,332,512
10,025,721	+ 1,339,287	2,218,487	+ 518,535
5,740,205	+ 257,804	952,078	— 566,175
3,901,568	+ 376,613	1,156,872	+ 7,517
5,766,417	+ 638,872	1,299,038	— 137,614
33,975,349	+ 4,105,152	6,692,198	— 116,695
15,603,928	+ 1,527,104	3,629,158	+ 7,530
1,415,752	+ 66,029	208,533	— 47,725
.....	.....	1,744,795	+ 1,182,228
4,369,543	+ 1,144,740	1,536,874	+ 837,045
5,370,192	+ 471,049	1,061,777	+ 34,170
1,030,261	+ 54,778	286,140	— 12,794
2,076,750	+ 133,625	637,100	+ 164,273
11,784,139	+ 751,194	3,559,972	+ 286,697
5,605,709	+ 397,322	1,102,117	— 204,005
7,270,482	+ 296,302	2,626,948	+ 86,391
2,612,672	+ 305,386	417,977	+ 419,276
859,682	+ 264,643	130,854	+ 235,306

Earnings July 1 to June 1, Compared with Same 1911-12.

Gross		P. C.	Net		P. C.
Amount.	Change.		Amount.	Change.	
\$108,275,822	+ \$9,192,173	+ 9.3	\$32,212,549	+ \$2,775,468	+ 9.4
33,513,818	+ 2,546,313	+ 8.2	9,507,969	+ 381,692	+ 4.2
92,540,705	+ 8,261,215	+ 9.8	25,476,267	+ 65,938	+ 0.3
44,464,852	+ 2,436,409	+ 5.8	7,453,820	— 426,075	— 5.4
20,810,600	+ 3,041,500	+ 17.1	5,506,500	+ 812,100	+ 17.8
127,721,266	+ 15,713,125	+ 14.0	42,618,119	+ 3,166,481	+ 8.0
12,958,452	— 7,381	— .06	2,913,810	— 369,131	— 11.2
29,265,269	+ 2,564,334	+ 9.6	12,535,709	+ 1,489,552	+ 13.5
32,024,781	+ 646,190	+ 2.1	9,569,365	+ 943,721	+ 9.0
14,001,617	+ 610,699	+ 4.6	1,872,933	— 1,032,951	— 35.5
12,775,775	+ 1,062,672	+ 9.1	3,396,469	+ 849,089	+ 33.3
86,452,139	+ 13,996,434	+ 19.3	28,857,511	+ 9,037,449	+ 45.6
75,839,894	+ 8,681,665	+ 12.9	22,361,933	+ 4,033,591	+ 22.0
15,806,254	+ 1,782,364	+ 12.7	4,088,998	+ 458,540	+ 12.6
13,972,722	+ 950,856	+ 7.3	4,305,920	+ 198,182	+ 4.8
22,046,028	+ 3,078,394	+ 16.2	7,964,916	+ 1,382,183	+ 21.0
37,125,861	+ 4,885,174	+ 15.3	12,027,881	+ 3,248,615	+ 3.3
22,579,875	+ 1,227,576	+ 5.7	6,117,610	+ 1,225,570	+ 25.0
57,290,468	+ 5,827,204	+ 11.3	14,674,977	+ 2,191,240	+ 17.5
71,856,890	+ 11,526,802	+ 19.1	30,435,491	+ 3,891,540	+ 14.4
58,967,920	+ 5,471,731	+ 10.2	10,023,543	+ 3,327,579	+ 49.7
9,852,329	+ 1,346,593	+ 15.8	3,266,112	+ 920,993	+ 39.2
39,299,894	+ 6,043,152	+ 18.2	12,802,727	+ 2,889,087	+ 22.9
54,797,676	+ 2,914,852	+ 5.6	12,229,833	— 1,710,330	— 12.3
19,836,934	+ 4,124,783	+ 26.2	7,667,384	+ 1,685,649	+ 28.2
10,001,723	+ 1,260,211	+ 14.4	3,014,364	+ 700,651	+ 30.3
29,994,670	+ 3,905,873	+ 15.0	9,103,154	+ 2,711,970	+ 42.4
57,430,682	+ 7,247,562	+ 14.4	15,949,676	+ 4,034,413	+ 33.9
11,306,966	+ 1,041,374	+ 10.1	2,670,701	+ 256,149	+ 13.7
12,248,980	+ 982,163	+ 8.7	2,731,672	+ 90,268	+ 3.5
54,274,064	— 2,364,683	— 4.0	20,855,695	— 1,039,080	— 4.7
119,305,434	+ 13,819,246	+ 13.1	24,297,100	+ 3,960,572	+ 19.5
45,899,679	+ 4,553,273	+ 11.0	8,246,796	+ 2,241,345	+ 37.3
63,197,751	+ 4,091,896	+ 6.9	16,511,528	— 1,870,594	— 10.2
39,997,031	+ 3,719,116	+ 10.2	12,622,091	+ 1,042,749	+ 9.0
66,651,916	+ 8,742,409	+ 15.1	22,370,020	+ 2,015,139	+ 10.0
151,966,844	+ 12,996,680	+ 9.4	21,832,388	— 2,774,565	— 11.3
73,693,484	+ 5,845,556	+ 8.6	14,058,655	— 130,663	— 0.9
16,096,987	+ 768,537	+ 5.0	2,990,750	+ 683,137	+ 3.0
.....	.....	.....	24,044,523	+ 7,310,211	+ 43.7
47,524,483	+ 5,953,369	+ 14.3	18,348,010	+ 4,276,419	+ 30.4
64,989,000	+ 6,353,067	+ 10.8	13,944,935	+ 1,394,935	+ 10.4
12,336,900	+ 1,243,545	+ 11.2	4,381,189	+ 639,867	+ 17.1
22,587,206	+ 1,388,731	+ 6.5	6,240,619	+ 885,338	+ 16.5
131,130,169	+ 10,145,830	+ 8.4	40,947,274	+ 4,236,601	+ 11.5
63,382,392	+ 4,680,661	+ 8.0	16,666,473	+ 306,079	+ 1.9
86,074,697	+ 7,003,015	+ 8.9	36,287,106	+ 3,368,185	+ 10.2
29,170,789	+ 3,217,402	+ 12.4	5,570,577	+ 1,621,650	+ 39.3
10,182,617	+ 1,306,497	+ 14.7	1,795,908	+ 631,675	+ 54.3

## April Gross and Net Earnings

April Compared with Same Month in 1912.

Gross		Net	
Amount.	Change.	Amount.	Change.
\$7,081,597	+ \$355,467	\$1,043,102	— \$210,821

†Fiscal year begins Jan. 1.

Earnings July 1 to May 1, Compared with Same 1911-12.

Gross		P. C.	Net		P. C.
Amount.	Change.		Amount.	Change.	
\$79,583,137	+ \$6,394,971	+ 8.7	\$25,459,641	+ \$3,757,187	+ 17.3

## ESTIMATED CURRENT GROSS

ALABAMA GREAT SOUTHERN— 1913.		Changes.
Fourth week of June.....	\$147,245	+ \$19,580
Month of June.....	418,171	+ 38,186
July 1-June 30.....	5,221,363	+ 445,472
ANN ARBOR—		
Fourth week of June.....	54,457	— 45
Month of June.....	184,182	+ 8,468
July 1-June 30.....	2,284,194	+ 15,032
BUFFALO, ROCHESTER & PITTSBURGH—		
First week of July.....	181,924	— 33,862
CANADIAN NORTHERN—		
First week of July.....	432,700	+ 40,800
CANADIAN PACIFIC—		
First week of July.....	2,700,000	+ 129,000
CENTRAL OF GEORGIA—		
Second week of June.....	201,300	— 4,800
July 1-June 14.....	13,387,780	— 12,300
CHESAPEAKE & OHIO—		
Fourth week of June.....	1,002,015	+ 74,753
Month of June.....	3,013,752	+ 102,473
July 1-June 30.....	35,038,632	+ 748,663
CHICAGO & ALTON—		
Fourth week of June.....	335,031	+ 5,980
Month of June.....	1,289,097	+ 125,183
July 1-June 30.....	15,271,614	+ 735,892
CHICAGO GREAT WESTERN—		
Fourth week of June.....	259,985	+ 40,521
Month of June.....	1,187,430	+ 105,291
July 1-June 30.....	13,965,205	+ 167,963
CHICAGO, IND. & LOUISVILLE—		
First week of July.....	118,103	+ 3,184
CINCINNATI, NEW ORLEANS & TEXAS PACIFIC—		
Fourth week of June.....	282,028	+ 8,500
Month of June.....	841,588	+ 21,601
July 1-June 30.....	10,451,588	+ 686,122
COLORADO & SOUTHERN—		
First week of July.....	241,510	+ 22,964

## DETROIT & MACKINAC—

Fourth week of June.....	28,141	— 3,041
July 1-June 30.....	1,239,277	— 117
DENVER & RIO GRANDE—		
First week of July.....	443,700	+ 15,000
GEORGIA SOUTHERN & FLORIDA—		
Fourth week of June.....	50,067	+ 55,072
Month of June.....	187,321	+ 181,267
July 1-June 30.....	2,559,784	+ 2,447,519
GRAND TRUNK—		
Fourth week of June.....	1,623,828	+ 71,181
July 1-June 30.....	55,873,185	+ 6,150,428
GREAT NORTHERN—		
Month of June.....	6,933,575	+ 1,163,041
July 1-June 30.....	78,790,465	+ 12,629,843
ILLINOIS CENTRAL—		
Gross.....	5,276,389	+ 5,263,769
Gross, twelve months.....	63,924,647	+ 59,250,650
INTER. & GREAT NORTHERN—		
Fourth week of June.....	229,000	— 12,650
Month of June.....	751,116	+ 17,848
July 1-June 30.....	11,248,011	+ 889,237
INTEROCEANIC RAILWAY OF MEXICO (Mexican currency)—		
Fourth week of June.....	268,074	— 16,966
July 1-June 30.....	9,061,926	+ 38,771
LOUISVILLE & NASHVILLE—		
Fourth week of June.....	1,334,475	+ 73,441
July 1-June 30.....	59,467,771	+ 3,253,983
MINNEAPOLIS & ST. LOUIS—		
First week of July.....	172,615	+ 6,650
MISSOURI, KANSAS & TEXAS—		
First week of July.....	511,662	+ 62,104
MISSOURI PACIFIC—		
First week of July.....	969,000	+ 56,000
MOBILE & OHIO—		
Third week of June.....	239,576	+ 22,735
July 1-June 21.....	11,936,757	+ 1,036,094
NATIONAL RAILWAYS OF MEXICO (Mexican currency)—		
Fourth week of June.....	970,378	— 331,780
July 1-June 30.....	57,107,528	— 4,340,203

## RIO GRANDE SOUTHERN—

Fourth week of June.....	16,588	+	2,076
July 1-June 30.....	601,785	+	150,386
ST. LOUIS SOUTHWESTERN—			
Fourth week of June.....	278,000	+	1,000
Month of June.....	929,000	+	20,000
July 1-June 30.....	14,076,723	+	1,150,329
SEABOARD AIR LINE—			
Fourth week of June.....	491,320	—	42,887
Month of June.....	1,857,072	+	133,643
July 1-June 30.....	24,444,278	+	1,522,374
SOUTHERN RAILWAY—			
Fourth week of June.....	1,524,727	+	42,601
Month of June.....	5,055,723	+	167,125
July 1-June 30.....	68,438,115	+	4,847,786
TEXAS & PACIFIC—			
First week of May.....	247,803	—	13,850
TOLEDO, PEORIA & WESTERN—			
Third week of June.....	26,197	+	2,569
July 1-June 30.....	1,332,161	+	94,005
Fourth week of June.....	50,000	+	11,558
July 1-June 30.....	1,982,161	+	105,563
TOLEDO, ST. LOUIS & WESTERN—			
Fourth week of June.....	102,247	+	26,670
July 1-June 30.....	4,320,385	+	455,158
YAZOO & MISSISSIPPI VALLEY—			
Gross for June.....	709,202	+	746,363
Gross for twelve months.....	10,879,942	+	9,656,862

### Copper in Pennsylvania and Maryland

From 225,200 short tons of low-grade copper ore in Maryland and Pennsylvania, and magnetic iron ore carrying small quantities of copper-bearing pyrite in Pennsylvania, there was an output in 1912, according to H. D. McCaskey of the United States Geological Survey, of 502 fine ounces of silver and 594,022 pounds of copper, valued in all at \$98,323. The corresponding production in 1911 was valued at \$83,194.

# Mining

## The Possibilities of Remonetizing Silver

World Faces a Sudden Demand for Gold. If Silver Money Be Recalled There Will Be Far-Reaching Effects

C. S. BURTON

The high pressure of industrial expansion—in which Germany has been the leader; the necessities of the new countries undergoing development at a hitherto unknown speed—in which the great Canadian Northwest has been the most striking example; the demands for increased armament—in which our country has been perhaps the least offender; the record expenditures for municipal needs—in which we have offended greatly, to say the least, have all combined to create a financial condition in many ways unique. Unique in that, without any sign of a Mississippi South Sea bubble, the world has expanded credits to a point where the strain is felt to be worldwide and the struggle to accumulate an increased reserve of gold against a possible break somewhere in the world's financial fabric has been keen on the part of all of the commercial nations of the world.

The world wide shortage of gold and currency, or if stated the other way around, the record-breaking need of the world in the way of a properly protected circulating medium, holds consequences that cannot be foreseen.

If the solution is to be found in some plan for the valorization of silver, on some ascending scale, whereby silver at its present commodity price to begin with is to be taken for coinage in stated amounts and at stated periods by the Governments of Europe, and in this way a certain degree of stability given to the silver market, it will be one of the most important events possible in the mining world. The demonetization of silver was a death-blow to many mining properties in Colorado and elsewhere throughout the West.

### THE MINING SITUATION

Whether it is to regain its place as one of the money metals or whether it is to remain in a position secondary to that of gold, is dependent upon many things, not the least important of which is the mining situation. The problem of gold production is in its very nature most uncertain; one could hardly ever be justified in saying that there were no longer to be found gold deposits of such magnitude as would greatly affect monetary standards. Discovery after discovery has been made in the history of gold mining in ground that had been raked over and over again by a procession of inspectors. The tremendous low-grade gold-bearing ore bodies of the world are not many in number. In our own country, the Homestake must be mentioned first, because to many minds it is the one great gold mine of that type. Next in importance is the Treadwell group on and about Douglas Island, the two properties most widely known being the Alaska Treadwell, an old seasoned producer; the Alaska Gold Mines, just now in process of development under the management of Mr. D. C. Jackling, Managing Director of the properties on the Guggenheim staff. The great gold field of the world, which stands alone on account of the peculiar nature of its deposit and the certainty with which its metal content may be estimated is the South African Rand. A bench or beach of some prehistoric ocean with its sand impregnated with gold, the Rand has long been, for the greater part, a question of efficiency of the native labor and economic mill management. And it is to the Rand alone that it is due that the present monetary difficulty is not heightened by a decrease in the world's gold production. Without endeavoring to analyze here, where lack of space forbids, the monthly tables of the crushings of the Transvaal, it is enough to say that the South African properties are in much the same position as the silver properties of Cobalt, running at top speed and breaking previous records, thereby simply assuring more speedily the coming of a day, already in sight, when these mines will no longer be able to effect further economies in milling costs and will be obliged to face a slowly but steadily declining gross production. What source, if any there is to be, to which the world may look to take the place of the Rand, is wholly a matter of future discovery, but when it is considered that, with all of the production, which now annually exceeds the entire production of the eighteenth century, the banking reserve of the world, if kept on a gold

basis, seems about to prove itself unequal to the task of balancing and maintaining the equilibrium of the credit system which depends upon it, the matter of gross ore reserves, known or yet to be discovered, becomes most important.

Populations increase and cattle supplies decrease. Countries once great exporters now devour all of their own food products and look abroad for more, which means that cash must go into such undeveloped or partly developed countries as can increase the world's food supply. Countries that are without banking facilities, where the individual hoards his earnings must be made to yield, and if the coolie and the Egyptian fellaheen are to produce cotton, rice, tea, and other staple commodities for the Occident, it will assuredly be necessary for the world's banking system to be prepared to stand a much greater strain than that which India and Egypt have already forced upon it, even though that already amounts to a yearly taking up of 29 per cent. of the present annual production.

### THE SILVER INDUSTRY

If the answer is bimetalism, in whatever form, it will mean a great deal for an industry which has suffered for a good many years even though at first it came only in the stabilization of the market for silver.

It is quite true that so far as the gross production of silver is concerned, it has increased from 27,650,400 fine ounces in 1873 to 60,000,000 ounces in 1893, which figure was not exceeded until in 1911 when the output of the United States was 60,399,400 fine ounces.

From all of which it is not a far cry for the bimetalists to argue that it will prove impossible for the banking forces of the world to maintain adequate metallic reserves as a basis for the credit liabilities of the world, which facing a declining gold production, and with silver in use for coinage purposes either on a commodity basis or a much restricted basis.

There have been but two mining camps developed in recent years where silver ranks as a chief product; Tonopah and Cobalt, the latter admittedly a geological freak, while the former has seen its greatest property, the Tonopah Mining Company, reach the peak of its load. The Tonopah Mining Company management has been in the market for a promising mining property for nearly two years, but has so far been unable to find anything suitable. The scarcity of promising mining properties and this instance of continued search were discussed from another angle in this column last week. As a matter of fact there are a large number of customers who are on the watch for mining properties, and the fact that in practically every case they have been unable to find anything that would stand examination by the various engineering staffs adds weight to the contention that mineral discoveries will not increase the world's wealth in the future as they have in the past. The Esperanza, Ltd., one of the greatest gold producers in all mining history, has been for some months in sight of what is looked upon as the end, and its management has looked into something more than 100 mines or prospects as presented without finding one which could be taken over. Mr. W. W. Mein, an engineer of wide experience in this country and in South Africa, has been unable to winnow even one acceptable mining property out of some 300 or more that have been presented for his scrutiny.

From a mining point of view the foreshadowed decrease in production of precious metals; the expanding needs of the world, soon to be, by reason of the development of the Far East, greater than ever, and the growing doubt as to the probability of important mineral discoveries make up a most interesting situation. All of the factors mentioned combine to throw an additional burden upon the shoulders of the metallurgists to whom the world must look for such improved processes of extraction as will render profitable the reworking of dumps and tailings and will render commercially valuable known ore deposits that cannot now be treated save at a loss.

### The Metal Markets

NEW YORK.—The fact that stocks of copper are now lower than they have been for a number of years seems to have no effect upon buyers, perhaps because of the uncertainty which exists with regard to the trend of consumption. The statistics of the Copper Producers' Association show a decrease in stocks of 14,659,619 pounds, but as this was due almost wholly to the strike at the Nichols refinery, it is apt to have less influence upon consumers than it would ordinarily. Production, too, declined, as did both foreign and domestic deliveries, though the decrease at home was much greater than that abroad. At the close of the market, Prime Lake was quoted nominally at 14¢ and Electrolytic at 14¢, prompt delivery.

Below are the copper statistics for June, issued by

the Copper Producers' Association, together with the figures for the last two months:

	April.	May.	June.
Stocks on the first of the month	104,280,270	75,549,108	67,564,225
Production in the United States from all domestic and foreign sources	135,333,402	141,319,416	121,860,853
Total available supply	239,602,672	216,868,524	189,425,078
Deliveries for domestic consumption	78,158,837	81,108,321	68,452,571
Deliveries for export	85,894,727	68,285,078	68,067,901
Total deliveries	164,053,564	149,394,299	136,520,472
Stocks at the end of the month	75,549,108	67,564,225	62,904,608
Exports for this month, to the 9th, were			4,272 tons.

### Mines and Companies

ALASKA.—The Alaska Mexican stamp-mill crushed 20,286 tons of ore in May, producing \$54,052 from amalgamation and concentrate. Operating expenses were \$23,591, and construction \$2,180, leaving a profit of \$28,281. The Alaska Treadwell stamp-mills crushed 71,512 tons of ore, producing \$190,072. Operating expenses were \$85,486, and construction \$8,197, leaving a profit of \$96,389. The Ready Bullion and 700-Foot Claim mills of the Alaska United crushed a total of 36,672 tons of ore in May, yielding \$84,452 from amalgamation and concentrate treatment. Operating expenses were \$56,430, and construction \$2,181, leaving a profit of \$24,841.

ARIZONA.—Figures compiled by the United States Geological Survey show total value of gold, silver, copper, lead and zinc produced in Arizona increased from \$44,157,223 in 1911 to \$67,050,784 in 1912. The copper production increased from 306,141,538 pounds, valued at \$28,267,692, in 1911, to 365,038,649 pounds, valued at \$60,231,377, in 1912. Cochise County, including the Warren or Bisbee district, produced 147,654,661 pounds, against 122,290,007 pounds. Greenlee County, embracing the Copper Mountain and Greenlee districts of the Clifton-Morenci region, produced 76,848,299 pounds, against 70,926,330 pounds. Yavapai County, including the Verde district, produced 34,043,005 pounds, and Gila County, including the Globe district, yielded 63,969,423 pounds. In Pinal and Gila Counties the low-grade so-called "porphyry" ores produced 76,848,299 pounds, against 30,666,515 pounds. The output of lead decreased from 10,274,532 pounds in 1911 to 8,606,443 pounds in 1912, but the output of spelter increased from 4,562,984 pounds in 1911 to 8,758,243 pounds in 1912. There were 444 mines producing gold, silver, copper, lead, and zinc in 1912, against 397 in 1911.

ARIZONA COPPER COMPANY.—The June production of the company was 3,000,000 pounds of copper, compared with 3,000,000 in June, 1912. Comparison is as follows:

	1913.	1912.	1911.
June	3,000,000	3,000,000	2,700,000
Six months	18,600,000	19,570,000	17,318,000

BRADEN COPPER.—A special meeting of stockholders has been called for July 21, to approve action of directors in authorizing execution of extension of date of maturity of company's issue of 3-year 7 per cent. debenture gold bonds from July 1, 1914, to June 1, 1916; also to approve execution of extension of time within which bonds may be converted into stock from March 1, 1914, to March 1, 1916.

CALUMET AND HECLA.—The estimated production of refined copper of the Calumet and Hecla Mining Company and in subsidiaries in June amounted to 9,743,351 pounds, compared with 10,765,428 pounds in May, and 10,457,700 pounds in June a year ago. A comparative statement follows:

	June, 1913.	May, 1913.	June, 1912.
Calumet and Hecla	4,809,797	5,007,324	5,507,890
Centennial	193,295	185,545	125,770
Osceola	1,424,640	1,759,815	1,368,400
Ahmeek	1,281,960	1,572,225	1,210,340
Tamarack	508,770	665,885	574,710
Isle Royale	496,134	528,800	606,041
Allouez	556,675	665,850	449,155
Superior	382,080	389,975	555,394

COPPER RANGE CONSOLIDATED COMPANY.—The company, incorporated under the laws of New Jersey, has filed with the Massachusetts Secretary of State a statement of its financial condition, dated March 31, 1913, which compares as follows:

	1913.	1912.
Assets—		
Bonds Copper Range Railroad	\$870,000	\$870,000
Shares Copper Range Railroad	1,639,200	1,639,200
Shares Baltic Trimountain, Copper Range Company and Atlantic Mining Company	37,891,900	37,876,200
Profit and loss	216,255	216,255
Cash and debts receivable	1,222,448	1,223,838
791 shares this company held for exchange for outstanding shares Baltic Mining Company and Copper Range Company	79,100	79,100

Total	\$41,702,648	\$41,904,594
Liabilities—		
Capital stock	\$39,371,000	\$39,355,300
Deposits from Copper Range Company, Trimountain, Atlantic & Copper Range Railroad	463,577	524,294
Floating debt		2,025,000
Bills payable	1,000,000	
Profit and loss	268,070	
Total	\$41,702,648	\$41,904,594

COBALT.—It is reported that the La Rose and Nipissing companies have reached an understanding whereby each takes one-half share in the purchase of an option on Plenarum in the Porcupine district. Option is upon 150,000 shares of treasury stock and the price is said to be \$2 for each \$5 share. It is understood that 10,000 shares will be taken up each month, so that the cost to each of the purchasing mines will be \$10,000 a month. The money will be spent on the development of



the property, which has been closed down for a month owing to lack of funds. It consists of 120 acres, and lies immediately east of the adjoining Jupiter. Operations will be resumed immediately.

**CONSOLIDATED COPPER MINES COMPANY.**—At a meeting of the Directors of the company it was decided to issue \$2,500,000 7 per cent. fifteen-year convertible bonds at par, to be offered to stockholders pro rata to the number of shares of the stock held by them. The bonds will be payable in four installments extending over a period of eighteen months, the final payment being due on Feb. 1, 1915. They are redeemable by the Consolidated Company by lot at 110 per cent., with accrued interest on any interest day. As soon as possible the Bankers Trust Company will issue circulars announcing the offering of the bonds.

**LAKE SUPERIOR.**—The output of the Lake Superior copper mines for June is estimated at 17,154,750 pounds refined copper, the smallest output for that month in many years. Production by months for the past three years compares as follows (in pounds):

	1913.	1912.	1911.
January	17,362,300	17,959,156	17,614,385
February	16,175,000	18,185,141	17,084,991
March	16,975,100	19,542,643	19,674,764
April	18,327,870	18,428,854	18,359,157
May	18,370,220	19,406,735	20,158,883
June	17,154,750	18,110,016	19,529,000

**MIAMI COPPER COMPANY.**—Operations at Miami are back to normal, following the curtailed production incident to the cave-in some weeks ago. The mill of late has been treating 3,000 tons of ore per day. Production at Miami started on March 1, 1911, and from then until the end of the following June, 3,631,226 pounds of copper was turned out. Yield during the first half of the past three years has been as follows (pounds):

	1913.	1912.	1911.
1913	15,725,369		
1912	15,543,783		
1911*	3,631,226		

\*Three months.

**OHIO COPPER MINING COMPANY.**—The Executive Committee of the company has been enlarged from three to five, thereby permitting all of the New York Directors to be members, as follows: F. A. Heinze, L. F. Pierson, W. O. Allison, J. W. McKinnon, and Maurice Levy. No Chairman has been chosen for the committee as it now stands, but should one be elected by a majority of its members, it seems probable that a successor to Heinze will be named.

**OLD COLONY COPPER COMPANY.**—President Fay states that drill hole No. 23 has cut the Mayflower lode at a depth of 1,678 feet and continued therein for 30 feet to 1,708 feet, with the showing of copper much above the average of the other holes on Old Colony. Hole No. 23 in the "farthest south" of any of the Old Colony holes, being located about 600 feet southwest of Mayflower No. 16, the discovery hole.

**OLD DOMINION MINING COMPANY.**—Production of the company in June amounted to 2,511,000 pounds of blister copper, compared with 2,749,000 pounds in May, and 2,130,000 pounds in June a year ago.

**PHELPS, DODGE & CO.**—Phelps, Dodge & Co. mining properties broke all records for production during the first half of the year with a total of 68,585,866 pounds, against 67,381,234 pounds in the same period of 1912. In addition there were treated at the Douglas smelter custom ores which yielded 5,640,273 pounds of copper, thereby swelling the production to over 73,000,000 pounds for the six months. Dividends paid by Phelps, Dodge & Co. totaled \$7 a share during the first half of the year, the same as disbursed in the corresponding period last year.

**ROCHESTER.**—This camp is now producing at the rate of about 120 tons daily.

**SHANNON COPPER COMPANY.**—Each month since the first of the year, output has shown a decrease compared with a year ago, and during the past quarter each month showed a falling off from the previous month, as follows (in pounds):

April	1,238,000
May	1,080,000
June	924,000

Total production for the past quarter was 3,242,000 pounds compared with 3,644,000 pounds in previous three months and 4,278,000 pounds in corresponding quarter a year ago. In other words, the output last quarter was 11 per cent. under the previous period and 24 per cent. less than corresponding months a year ago.

**STEWART MINING COMPANY.**—Net earnings for June are estimated at about \$103,000, compared with \$69,061 in May, the highest previously recorded. Profit per ton in June was \$7.40, compared with \$4.02 in May. Net earnings for the half-year approximated \$279,000, against \$220,000 last year. There were treated 14,000 tons of ore.

**TEMISKAMING MINING COMPANY.**—A special meeting of the stockholders of the Temiskaming Mining Company, Ltd., has been called for July 26 to ratify a by-law framed to conform with an amendment to the Ontario Companies act passed at the last session of the Legislature. The by-law provides for the payment of dividends, notwithstanding the fact that the value of the net assets of the company may be reduced thereby to less than the par value of the issued capital stock, if the payment does not reduce the value of the assets so that they will be insufficient to meet all the liabilities exclusive of the nominal paid-up capital.

**TINTIC.**—Tintic district for the first half of the year 1913 shows a total production of 1,659 carloads, or approximately 232,950 tons, of ore shipped, estimated at \$5,823,000. Compared with the preceding year, this is a distinct gain in tonnage. The estimates for 1912 were 423,000 tons, valued at \$10,590,000, for the entire year. Thirty-six properties and leases, most of the leases being on distinct properties other than shippers under company management, have taken part in this year's production. The carload production of the Tintic camp by months for the first half of 1913 is as follows: January, 875 carloads; February, 700; March, 775;

April, 734; May, 901, and June, 674. This makes June the lightest and May the heaviest months. The June production is estimated at 33,400 tons, valued at \$840,000.

**TONOPAH.**—Production for the week ended July 5 was, in detail, as follows: Tonopah Mining Company, 3,350 tons; Belmont, 3,749 tons; Montana-Tonopah, 1,051 tons; Tonopah-Extension, 1,113 tons; West End, 1,010 tons; MacNamara, 592 tons; Jim Butler, 400 tons, and North Star, 450 tons, making the total production for the week 11,715 tons, the estimated value being \$259,345. The above valuation is based on the gross milling values of the ores.

**TUOLUMNE.**—It is reported that the purpose of the special meeting of the Tuolumne stockholders Aug. 18 is to increase stock from 800,000 shares, par \$1, to 1,500,000 shares, par \$1, to take over property of the Butte Range Mining Company in East Butte district.

**UTAH METAL MINING COMPANY.**—The Directors issue a statement to stockholders in which they announce the completion of the tunnel from the Bingham side to Middle Canyon or Tooele side of West Mountain; also that there have been cut in boring the tunnel several mineral veins, of which not less than ten give promise of leading to ore deposits in locations newly uncovered at depth, and which will be developed by drifting and upraising.

## Mining Stocks

Transactions and the range of prices for mining stocks on the various markets last week were as follows:

Stock.	Market.	Sales.	High.	Low.	Last.
Acacia	Col. Springs	2,000	.02 1/4	.02 1/4	.02 1/4
Adventure	Boston	170	1 1/4	1 1/4	1 1/4
Ahmeek	Boston	2	300	300	300
Alaska Gold Mines	Boston	8,245	18 1/2	16 1/2	17 1/2
Algoma	Boston	50	1 1/4	1 1/4	1 1/4
Alouez	Boston	180	31 1/2	31 1/2	31 1/2
Alta Con.	Salt Lake City	7,400	.17	.16	.16
Amal. Copper	Boston	3,445	64 1/2	62 1/2	64 1/2
Amal. Copper	Philadelphia	620	64 1/2	63	64 1/2
Am. Smelters	Philadelphia	120	61	60 1/2	61
Anaconda	Philadelphia	10	32 1/2	32 1/2	32 1/2
Am. Zinc & Smelt.	Boston	890	18 1/2	18	18 1/2
Arex	Toronto Mine	2,000	.01	.01	.01
Arizona Commercial	Boston	259	2 1/2	2 1/2	2 1/2
Bailey	Toronto Mine	11,300	.08 1/2	.07 1/2	.07 1/2
Beaver	Toronto Mine	4,260	.30	.28 1/2	.29
Boston Ely M.	Boston Curb	300	.48	.48	.48
Buffalo Mines	Toronto Mine	10	2.50	2.50	2.50
Butte Cent. Cop.	Bost. Curb	3,600	.19	.14	.14
Butte & Balaklava	Boston	690	1 1/4	1 1/4	1 1/4
Butte & Lend.	Boston Curb	1,225	.26	.23	.23
Butte & Superior	Boston	1,375	.23 1/2	.21 1/2	.23 1/2
Cactus Copper	Boston Curb	100	.06	.06	.06
Calaveras Cop.	Boston Curb	2,470	.27	.25	.25
Calumet & Hecla	Boston	1,145	60	50	50 1/2
Can. Goldfields	Toronto	32	42 1/2	41	42
Can. Goldfields	Toronto Mine	5,000	.45	.43	.45
Canadian M.	Toronto Mine	1,000	1 1/2	1 1/2	1 1/2
Cedar Talisman	Salt Lake C.	1,800	.01 1/4	.01	.01
Centennial Con.	Boston	135	11	10 1/2	11
Chambers Ferland	Toronto M.	500	19	19	19
Chief Cons.	Boston Curb	2,325	19-16	17-16	1 1/4
Chino	Boston	100	33 1/2	33	33 1/2
City of Cobalt	Toronto Mine	500	.50	.50	.50
Cobalt Lake	Toronto Mine	3,916	.67	.67	.67
Cobalt Lake	Toronto Mine	600	.66	.65	.65
Cochran	Toronto Mine	100	1.25	1.25	1.25
Colorado	Salt Lake City	6,400	.17 1/2	.15	.15
Con. Smelters	Toronto Mine	100	7.45	7.45	7.45
Copper Range	Boston	1,280	40	38 1/2	39
Corbin Con.	Boston Curb	3,175	13-16	.91	.91
Crown Charter	Toronto Mine	2,000	.50	.50	.50
Crown Reserve	Toronto Mine	115	3.50	3.30	3.30
Crown Reserve	Montreal	2,238	3.41	3.34	3.34
Crown Reserve	Toronto	300	3.39	3.34	3.34
Crown Point	Salt L. City	6,000	.02	.01 1/2	.01 1/2
Crown Reserve	Boston Curb	100	.30	.30	.30
Davis-Daly	Boston Curb	580	2	1 1/2	1 1/2
Dante	Colo. Springs	1,000	.02 1/2	.02 1/2	.02 1/2
Doctor	Colo. Springs	1,000	.06 1/2	.06 1/2	.06 1/2
Dome Lake	Toronto Mine	7,800	.87	.77	.77
Dome Lake	Toronto Mine	900	.84	.73	.73
Dome Ext.	Toronto Mine	2,700	.09 1/2	.08	.08
Dome Mines	Toronto	825	.15 1/2	.15	.15
Eagle Blue Bell	Bos. Curb	2,050	11-16	.80	11-16
East Butte	Boston	230	10 1/2	10	10
Ely Con.	Boston Curb	500	.09	.09	.09
Ely Witche	Boston Curb	100	.05	.05	.05
Elkton	Colorado Spgs.	7,500	.51 1/2	.51	.51
First Nat. Cop.	Boston Curb	4,895	.25	1 1/2	1 1/2
Fannie R.	Colo. Spgs.	1,000	.02 1/2	.02 1/2	.02 1/2
Foley O'Brien	Toronto Mine	600	.25 1/2	.25 1/2	.25 1/2
Foster	Toronto Mine	1,000	.06 1/2	.06 1/2	.06 1/2
Franklin	Boston	18	.50	.45	.50
Giroux Consol.	Boston	150	15-16	14	14
Gold Bond	Colo. Springs	1,000	.01 1/2	.01 1/2	.01 1/2
Gold Dev.	Colo. Springs	13,000	.02 1/2	.02 1/2	.02 1/2
Goldfield Cons.	Boston Curb	908	113-16	1 1/2	11-16
Gould	Toronto Mine	90,000	.03 1/2	.03	.03
Granby	Boston	226	.55	.54 1/2	.54 1/2
Gt. Northern	Toronto Mine	17,500	.16 1/2	.14	.14
Greene-Cananea	Boston	2,221	.61	.54	.61
Green Meehan	Toronto Mine	100	.01	.01	.01
Hancock	Boston	185	.15	.14 1/2	.14 1/2
Hargraves	Toronto Mine	1,600	.04 1/2	.04 1/2	.04 1/2
Hollinger	Toronto Mine	105	16.25	16.00	16.25
Hollinger	Toronto Mine	75	16.25	16.00	16.00
Houghton Cop.	Boston Curb	30	2	2	2
Indiana	Boston	425	.54	.45	.5
Iron Blossom	S. Lake City	3,800	1.35	1.32	1.35
Island Creek Coal	Boston	190	40	48	49
Island Creek Coal	pr.	150	.79 1/2	.79	.79
Isabella	Colorado Springs	8,000	.10	.09 1/2	.09 1/2
Isla Royale Cop.	Boston	100	.18 1/2	.18 1/2	.18 1/2
Jennie S.	Colorado Springs	2,000	.05 1/2	.05 1/2	.05 1/2
Jupiter	Toronto Mine	11,331	.36	.30	.35
Jupiter	Toronto	1,500	.35	.35	.35
Kerr Lake	Toronto Mine	345	33-16	3 1/2	33-16
Kerr Lake	Toronto Mine	600	3.20	3.20	3.20
Lake Copper	Boston	570	.74	.74	.74

Stock.	Market.	Sales.	High.	Low.	Last.
La Rose	Toronto	1,600	2.28	2.23	2.23
La Rose	Toronto Mine	200	2.30	2.28	2.28
La Rose	Boston Curb	525	27-16	2 1/2	2 1/2
La Salle	Boston	215	.4	.3 1/2	.3 1/2
Lion Hill Con.	Boston Curb	600	.51	.50	.51
Little Puck	Colorado Springs	5,000	.00 1/2	.00 1/2	.00 1/2
Majestic Mines	Boston Curb	825	.37	.36	.36
Mason Valley	Boston	150	.55	.55	.55
Mass Mining	Boston	75	.3	.2 1/2	.2 1/2
May Day	Salt Lake City	4,400	.06	.06	.06
Mayflower	Boston	25	.6	.6	.6
McIntyre	Toronto Mine	900	2.20	2.00	2.00
McKinley-Dar.	Boston Curb	50			

McKinley-Dar.	Toronto	500	1.68	1.68	1.68
McKinley-Dar.	Toronto Mine	1,900	1.67	1.62	1.66
Mexican Metals	Boston Curb	13,435	.59	.52	.55
Miami	Boston	210	.20 1/2	.20 1/2	.20 1/2
Mohawk	Boston	70	.44 1/2	.42	.42
Nevada Con.	Boston	290	.14 1/2	.14	.14 1/2
Nevada Douglas	Boston Curb	200	.14	.14	.14
New Arcadian	Boston	5	.1 1/4	.1 1/4	.1 1/4
New Battle	Boston Curb	255	.80	.75	.80
Nipissing Mines	Boston	390	.85	85-16	85-16
Nipissing Mines	Toronto	90	8.50	8.40	8.45
Nipissing Mines	Toronto Mine	600	8.50	8.43	8.43
North Butte	Boston	670	.25	.24 1/2	.24 1/2
North Lake	Boston	170	.1 1/4	.1 1/4	.1 1/4
Ohio Copper	Boston Curb	2,200	.61	.58	.57
Old Colony	Boston	75	.3 1/4	.3 1/4	.3 1/4
Old Dominion	Boston	92	.45	.44	.44 1/2
Old Dom. tr. rts.	Boston Curb	200	.45	.3 1/2	.4 1/2
Oneco	Boston Curb	75	.90	.90	.90
Ophongo	Salt Lake City	4,000	.03	.02 1/2	.03
Osceola	Boston	155	.70	.73 1/2	.73 1/2
Otis	Toronto Mine	7,000	.01 1/2	.01	.01 1/2
Pearl Lake	Toronto	500	.32 1/2	.32 1/2	.32 1/2
Pearl Lake	Toronto Mine	13,100	.33	.33	.32
Peterson Lake	Toronto Mine	28,950	.23	.22	.22
Pitts. Silver Peak	Pittsburgh	2,100	.48	.48	.48
Plenarum	Toronto Mine	300	.95	.90	.95
Pond Creek	Boston	1,625	.17 1/2	.16 1/2	.17
Porcupine Gold	Toronto Mine	8,900	.10 1/2	.10	.10 1/2
Porcupine Tisdale	Toronto M.	4,000	.2	.2	.2
Preston E. Dome	Toronto M.	2,000	.2 1/2	.2 1/2	.2 1/2
Prince Con.	Salt Lake City	3,100	.35	.35	.35
Quincy M.	Boston	44	.58	.57	.57 1/2
Requa Savage	Col. Springs	10,500	.02 1/2	.02	.02
Ray Con.	Boston	250	.16 1/2	.16 1/2	.16 1/2
Right of Way	Toronto Mine	100	.25	.25	.25
Rochester	Toronto Mine	6,900	.35	.35	.35
Santa Fe	Boston	404	.13 1/2	.13 1/2	.13 1/2
St. Mary's Copper L.	Boston	10	.34 1/2	.34 1/2	.34 1/2
Shannon	Boston	1,912	.75	.64	.65
Shattuck & Arizona	Boston	103	.23	.23	.23
Sil. K. Coalition	Salt L. City	750	3.35	3.02 1/2	3.02 1/2
Silver K. C.	Salt Lake City	700	1.70	1.70	1.70
Silver Leaf	Toronto Mine	1,800	.03	.03	.03
South Lake	Boston Curb	405	.4 1/2	.4	.4
Stewart	Boston Curb	25	17-16	17-16	17-16
Superior Copper	Boston	110	.25	.24 1/2	.24 1/2
Superior & Boston	Boston	92	.24	.2	.24
Swastika	Toronto	2,000	.05	.05	.05
Swastika	Toronto Mine	9,200	.05 1/2	.04 1/2	.04 1/2
Tamarack	Boston	563	.29 1/2	.25	.29 1/2
Temiskaming	Toronto Mine	5,450	.34 1/2	.33 1/2	.33 1/2
Thompson Quincy	Salt L. C.	150	.28	.25	.25

# Labor

## Scientific Management to Speed German Labor

### American Efficiency Methods from the Foreign Viewpoint—Objections from Both Sides Explained Away

The German workman has always enjoyed the reputation of being very thorough; but he is equally slow. Recently German engineers have been studying the American system of scientific management, having in view the training of their labor to speed as well as thoroughness. Whether or not work will become less thorough in proportion to the increase of productive speed cannot be determined until a thorough test has been made. But if the desired end is attained and quality of work not sacrificed in gaining speed, it will be interesting to watch the further economic development of the German Empire. The theory of scientific management had its origin in the United States; it has been accepted in England, Germany, France, and elsewhere.

Mr. G. Schlesinger, a German efficiency engineer, recently made an address which has been printed in *The Iron Age*, on the Taylor efficiency system of scientific management from the viewpoint of his country. Speaking of its value he said:

The science of management should be in the hands of a qualified principal, constitute henceforth the key to an assured success, and secure pre-eminence above all others for the people who should first carry out the new principle to the full extent of its industrial utility. The recognized principles of the system are: The division of work into its smallest constituent parts, and the scientific study of time, the systematic selection of the workers and the instruction and training of persons recognized as qualified, in peaceable working relations of employer and employee. The division of labor and the study of time require, in the first place, that the question of equipment shall be given the fullest consideration and study. Machines and working implements must not only be perfectly constructed and formed, and especially adapted for special cases, but must, by thorough study of time, be so efficiently employed for every new piece of work that any given task may be performed with a minimum expenditure of time and energy and waste of implements, and thus on the most economical lines.

He is of the opinion that, granted perfect working interests, instruments, and machines, the greatest difficulty lies in the selection of men, because of the personal element which enters into it:

Here all the theory stops short, for men are not, roughly speaking, muscle-machines, but thinking beings with their own will. Here the science and study of lifeless matter in the field of investigation ceases, and the training of men begins, in which the fact should never be overlooked that there are talented and untalented, clever and stupid, sensitive and callous, quick and slow, strong-willed and weak-willed individuals. Qualities of character which are to be met with, separately or together, among the races of the east and west, of the south and the north of Germany, which, before freedom of movement to and from different places of settlement was exercised, tended to concentrate in separate districts, but are to-day, owing to the influence of the great cities in drawing together and mingling races, to be found at the same time in all industrial centres of activity, enormously increasing the difficulty of solving the problem.

The selection of the men, it goes without saying from what has been stated, is easy, where only physical strength, as in the case of stonebearers, smith's assistants, and in similar trades, or physical and easily tested faculties, such as that of distinguishing colors, in seamen, engine drivers, &c., are decisive factors in their selection.

The work of proper selection becomes at once difficult if the purely mental processes, such as attention, perceptive faculty, resolution and judgment, accuracy, quickness, memory, and similar qualities, play the decisive rôle, and that is always, in all acquired crafts, to a large extent the case.

He thinks that economic success can only be obtained through finding the individual best adapted to each kind of work and getting from them the best possible results. The second problem is by far the most important one because of the fact that the first can, at best, be solved only in a limited degree, and the less satisfactory the solution, the more important becomes the problem of maximum results:

For the very reason that so many incompetent workmen enter the industrial field it is a vital question for the nation to discover ways and means of raising the standard of efficiency in labor. The task is in itself indicative of high culture, and must neither be influenced from the standpoint of capitalism, which is egoistic, nor from that of humanitarianism. The employer will strive to obtain the quickest and the best work, the workman will perform his part only when consideration for his strength, the preservation of his health, and due regard to his individuality are combined with the highest productivity.

Scientific management is only interested in economic success. The economic work of mankind is to be so organized by it that, by avoiding waste of en-

ergy of every description, the highest standard of individual efficiency may be attained. As a matter of principle, everything that would prove detrimental to the interest of the industrial workman must be avoided:

- No extension of the working hours.
- No reduction in wages.
- No increase in mental or physical exertion.
- As a matter of principle, on the other hand, everything will be done to improve the condition of workmen, for instance:
  - Improvement of all appliances.
  - Improvement in the division of labor.
  - Reorganization of the work itself.
  - Introduction of intervals of rest.
  - Increase of interest in the work itself for all who participate in it.

In order to attain to this, the physical strength, skill, endurance and intelligence of the individual workman must be considered, with regard to actual execution of the work, so that the choice and suitability indispensable to the accomplishment of economic success may be attained. Such a procedure will certainly be characterized as cruel by the trades unions of America, England, Germany, &c., but unquestionably sentiment must be set aside, even if, in the execution of purely scientific investigations, a few of the working classes appear, in the first instance, to have to suffer by them. Such has been the case on the introduction of each work-saving machine, and yet the number of workmen employed in industry, collectively, has constantly increased in quite an extraordinary manner. There is no law to enforce the preservation of a definite supply of work or a definite amount of work on the earth, but the amount of work increases with the consumption of the masses, and this, in its turn, with the reduced price of the industrial article.

There are, of course, objections to the introductions of scientific management from both employer and employee, but while they are sometimes based upon reasonable group grounds, Mr. Schlesinger is of the opinion that none of them are fatal to the Taylor plan. The principal objection of the employer is that of "first cost":

If must be confessed that the costs are high, but we must take into consideration the fact that the total costs of manufacturing are diminished. The question whether scientific management methods would entail unfair costs is only to be answered from experience. A further objection is raised against the increase in the staff necessary for the carrying out of the scientific methods. A time of depression is feared when such a number of new posts could not be easily reduced, the establishment charges increasing enormously. It is thought that only during a period of prosperity would an increased staff of officials pay their way; on the other hand, during a period of depression they would lead to the ruin of the business. In contradiction it can only be said that as long as scientific management is only employed by a few factories, it is maintained by their standard bearers that such an advantage will be gained by them in competition that these factories will not feel a period of depression at all, and should all the factories later adopt the same scientific methods of working, they will then all be once more equally handicapped. It must certainly be admitted that some heavy charges of the complete failure of scientific management have appeared, though it is easy to suppose that the real cause may be traced to the selection of an entirely unsuitable reorganizer. The most successful enterprise may be ruined by too many order sheets, multiplied carton blocks, by an exaggerated process of standardizing, and by false cards of instruction, &c. The manufacturers must, therefore, guard themselves against the "philanthropists" who spring up to-day like mushrooms, and should only select those people for the purpose of reorganization of whose experience and efficiency they are assured.

Labor objects on various grounds, which are explained in the following paragraph, in which is also shown reasons for the invalidity of these objections:

The workmen say: "Our wages do not increase in the same ratio as that of the increase of productivity obtained. We receive, for example, at the most, only 75 per cent. increase of wage, while the production amounts to 400 per cent. That is unjust!"

One must not lose sight of the fact that the increase of productivity is, for the most part, not at all to be placed to the credit of the workmen. Neither more manual labor nor more brain work is required of them, but better implements are placed at their disposal, as well as a well-considered plan of work, and complete organization. The management alone has produced the new work without any aid from the workmen. These expensive preliminary studies have necessarily to be paid for, therefore the workmen's wages increase from 25 to 75 per cent. is amply proportionate. It is generally only a bonus for the willingness to work with greater ease, and for a much shorter time, than formerly. Besides which, the employer naturally expects some return for his outlay, and finally, the public demand permanently cheaper wares of the same excellent quality. There are, therefore, three classes to satisfy, not only the workmen.

The workmen further state that the employment of the stop-watch for ascertaining the time needed for a piece of work is unworthy of a human being and places him below a beast of burden. The same workman is proud of the second-record made in swimming, cycling, or running races. The stop-watch is here no dishonor, although in both cases the object to be attained is in principle the same, that of estimating human efficiency.

In giving work to a workman, as is the rule to-day, without directions, the method of execution is undoubtedly left to his own discretion, which, executed according to his ability, very frequently leaves much to be desired, and certainly is not the best, nor does it represent the least strenuous method to the workman. The use of cards of direction by no means takes away the workman's initiative. A clever and critically inclined workman will certainly seek to improve upon the instructions, if he considers them bad, and the un-

skilled workman has always worked exactly according to directions given him by the master. It is quite a mistake to believe that industrial science destroys the workman's powers of reflection; on the contrary, they enable him to give his whole and undivided attention to his work. Comparative examples of workmanship, according to the best methods, are placed at his disposal, and free instruction from others, who are probably much more experienced than he, and thus he receives a training which helps him to advance in his trade, and which was formerly entirely wanting. We must clearly understand that it is the instinct of man to mistrust all that is new, and to oppose the introduction of the same, especially when it involves a change in the habits of working which is the case in the above instance.

### The Human Tides

Eleven months,  
Fiscal year ended June 30, 1913. July, 1912, to May, 1913.

Month.	Immigrant aliens admitted.	Emigrant aliens departed.	Net change in population from immigration and emigration movement.	Immigrant aliens admitted.	Emigrant aliens departed.	Net change in population from immigration and emigration movement.
July ..	51,737	40,749	10,988	78,101	24,673	53,428
Aug. ..	50,110	31,915	18,195	82,377	25,725	56,652
Sep. ..	62,599	29,630	32,969	105,611	23,728	81,883
Oct. ..	69,418	30,728	38,690	108,300	27,153	81,147
Nov. ..	61,765	45,804	15,961	94,739	41,444	53,295
Dec. ..	61,626	42,822	18,804	76,315	45,048	31,267
Jan. ..	38,453	17,415	21,038	46,411	29,730	16,681
Feb. ..	45,380	14,919	30,461	59,156	15,253	43,903
Mar. ..	91,185	19,930	71,255	67,807	15,044	52,761
April ..	90,839	18,088	72,751	136,371	18,331	118,040
May ..	113,635	17,999	95,636	157,262	19,131	138,131
June ..	92,425	23,233	69,192	.....	.....	.....
Total	838,172	333,262	504,910	1,021,631	285,290	736,341

### The Unwisdom of Immunity

Ex-Secretary of Commerce and Labor Charles Nagel, in an article printed by *The American Leader*, said, in part:

"There is a great outcry about organized efforts to influence legislation at Washington; but we search in vain for direct reference to the systematic methods employed by the Federation of Labor. It is hardly necessary to instance measures. The persistent demand of the Federation that the exemption from prosecution in the appropriation for the Department of Justice be retained is all sufficient to characterize its attitude. Such a provision would not have been thought of without influential suggestion; and, after its adoption, nothing short of threat could have induced its retention. But that is another story.

"The more important question goes to the wisdom of the Federation's course. There is undoubted sagacity in grouping the farmers with the labor unions as joint beneficiaries of this exemption from prosecution. But that sagacity is monopolized altogether by the unions, and is exercised at the expense of the farmers. \* \* \* To embrace them in this exemption is to proclaim as prospective wrongdoers the least organized constructive force of the nation, and to use them to share a responsibility which belongs primarily to the Federation of Labor.

"But, apart from the sagacity in framing up the fight, how about the real wisdom of the measure in so far as it affects the Federation alone? After all, that is the essential question. Have we at last found a King who can do no wrong? Is it wise for such an organization as the Federation of Labor to claim or even to accept immunity from a law of otherwise universal application? Is it not in grave danger of placing in jeopardy its very great power and opportunity for good? \* \* \*

"All that need be accepted here is that the labor unions are recognized as powerful agencies for the betterment of the condition of wage earners, and, therefore, for the improvement of industrial and social conditions in general. In plain words, they represent a force for the intelligent and fair adjustment of industrial relations which cannot be spared."

### Wages and Prices in Colorado

The thirteenth biennial report of the Bureau of Labor Statistics of Colorado has just been issued. It gives the following record of organizations in the State: Central bodies, 17; trades unions, 282, with a membership of 20,772; railroad unions, 62, membership, 6,772; women's auxiliaries, 6,876, making the total of organized workers in the State 32,852. Comparing wages in Colorado in 1912 with those of ten years previous, the Commissioner says: "A comparison of wages paid to mechanics in the different trades with those of ten years ago furnishes interesting data. When it is considered that the price of commodities, the price of actual living expenses, has increased an average of 60 per cent., it will be readily seen that wages have not even approached that per cent. of increase. In fact, in many trades there has been no increase at all, and those that show an increase are those that are the more perfectly organized.



## Utilities

### The Wonderful New Cars That Run on Broadway

**Automatically Heated and Ventilated, Have Low Steps, Can't Start Till the Doors Shut, Doors Can't Open Till They Stop.**

"The operating of a railroad to-day is a mechanical problem. It is like operating a large machine; and it should be a fool-proof machine. In running the machine the human element should be reduced to the minimum. It is this element that causes the accidents and kills our customers." This is the opinion of J. S. Doyle, Superintendent of Car Equipment for the New York Railways Company, which on Jan. 1, 1912, assumed control of the old Metropolitan Street Railway of New York. Mr. Doyle has attacked the problem of street car equipment in scientific manner with the idea of evolving a car which would reduce operating expenses to a minimum, and he has evolved a radically different type of street car which he believes is bound to work a revolution in the car equipment of the country. The whole plan of the car, inside and out, disregards traditional methods and appearance, and is in every respect distinctly utilitarian and modern. One hundred and seventy-five of these new cars have been ordered for operation upon Broadway, and will entirely displace the use of the "pay-as-you-enter" cars now in operation.

The car which is the result of the labors of Mr. Doyle and Frank Hedley, Vice President and General Manager of the company, is known as the "stepless" car. The fact that in alighting a passenger need but step ten inches above the pavement is one of the principal features of the new type. The old type car necessitates a climb of 45 inches, and it is due to this climb and the fact that cars may be boarded and left while in motion that most of the accidents on surface cars occur. By far the largest percentage of the accidents on street cars occur in boarding or alighting from them. Eight to ten per cent. of the gross earnings of the Metropolitan was consumed by damage suits arising from accidents. For economy's sake, aside from the humanitarian point of view, it was considered profitable to discover a fool-proof device. Therefore, the door of the "stepless" entrance is guarded by extraordinary devices. It is impossible to open the door of the car while the wheels are in motion. The conductor may press the release, but until the wheels cease to revolve the door refuses to slide back. On the other hand, only by closing the door completely is the circuit through the motors of the car completed, so that the car may not be propelled until the door is tightly shut. All grab handles are eliminated from the outside of the car, and any other means by which children or others might hold on to the moving car. With these devices, and with the short step, it seems that accidents in boarding and alighting have been reduced to a minimum.

It might seem at first that the fact that the car is forced to come to a complete stop on taking on and leaving off passengers would reduce its speed in covering the route very materially. However, the fact that much less time is consumed in taking the one short step than in completing the climb on the old type increases the speed of boarding and alighting considerably. But the fact that the entrance is in the centre of the car reduces the time of stops much more. With this arrangement passengers are always near the door, and moreover a double stream may enter and leave the car at the same time. One of these cars has been tested on Broadway since last August and it has been found that it is perfectly capable of making the same schedule time as the other cars.

Another economy of this type is that for such a car to kill a person is almost impossible. At the instant of danger the motorman need merely extend his fingers by stiffening his hand and in one-fifth of a second the power is shut off, the brakes are applied and an automatic fender is dropped in front of the car, which makes it impossible for any one to be caught beneath. In this way the car is stopped in one-half the distance heretofore possible. What is more, the fender itself is connected with the control. The moment that the fender is struck it performs these same functions of stopping and braking the car whether the motorman does so or not. The motorman is comfortably seated and shut off from the question-asking public, so that he must necessarily concentrate his attention upon the track ahead.

The cars also represent the last word in sanitary

precaution. The car is automatically ventilated. As the car becomes full the extra weight of the passengers weighing upon the springs operates a device which opens the ventilators with the increase of weight. Air that enters the car is warmed as it enters. The heat is automatically regulated by thermostats. The hand grips with which passengers steady themselves are enameled white as the best possible sanitary precaution for their cleanliness.

The cars themselves are of light steel construction and accommodate more passengers than the ordinary type. This permits a large saving, since the cost of operation has been 5 cents per pound per car per year. The weight of the car is reduced from 44,000 pounds to 34,000 pounds. Some Chicago cars weigh as much as 52,000 pounds. The old cars seated from 42 to 48 passengers; the new cars seat 55 passengers.

An extremely ingenious device on the new car is an automatic sander. When the rain falls on the rails and makes them slippery it brings down sand from the sand box. Connected with the motors in front and rear are two galvanometers. When the front and rear wheels revolve at an equal rate the current passing through them is equal, and the galvanometers balance each other. But in case the front wheels strike slippery rails and move faster than the rear wheels a greater current passes through their motors and the balance between the galvanometers is upset. This deflects a metal disk which in turn releases the control of the sand boxes and causes sand to come to the rails. Whenever the front and rear wheels run at different speeds, as they are constantly doing in wet weather, sand is automatically brought down.

The New York Railways Company will not stop here, however. As soon as its finances will permit double-deck cars will be used during the rush hours. These cars seat 98 persons and have a maximum capacity of 130. With them the cost of operation is about cut in two. A double-decked car has been in operation since last Summer and found to be very satisfactory.

### PUBLIC UTILITIES NEWS

**AMERICAN TELEPHONE & TELEGRAPH CO.**—Vice President Kingsley says that he is unable to interpret the Washington dispatch to the effect that the Department of Justice would soon file a suit to dissolve the merger of Bell interests in the West. It is true that the Bell companies of Colorado were recently merged with the Mountain States Telephone & Telegraph Company covering Oregon, Utah, Idaho, and Montana, but this was purely an intra-company affair.

**AMERICAN WATER WORKS AND GUARANTEE COMPANY.**—Receivers for the company have been asked for. The company is a \$20,000,000 public service holding company, owning and operating about forty water works plants throughout the country. J. S. & W. S. Kuhn, Inc., investment bankers, are fiscal agents of the company and James S. Kuhn is the company's President. The company has outstanding \$10,000,000 6 per cent. preferred and \$10,000,000 common stock. The \$10,000,000 preferred stock was brought out in this country about a year ago by a Kuhn syndicate at 97½ and a portion of the issue was also placed in London, Paris, Amsterdam, and Brussels. The offering was heavily oversubscribed and allotments had to be made. The company supplies water to about 1,250,000 people in eighty-two cities and towns in the United States, controls 200 miles of interurban electric railway and electric light and power systems supplying 110 cities and towns, and operates in Idaho and California irrigation systems designed to irrigate 650,000 acres of land. Its subsidiaries are: Arkansas Water Company, Little Rock; Birmingham (Ala.) Water Works Company, Belleville (Ill.) Water Supply Company, Butler (Penn.) Water Company, California-Idaho Company, City of New Castle (Penn.) Water Company, City Water Company, Chattanooga, Tenn.; City Water Company, East St. Louis; City Water Company, Marinette, Wis.; City Water Works Company, Merrill, Wis.; Clinton (Iowa) Water Works Company, Connelleville (Penn.) Water Company, Great Shoshone and Twin Falls Water Power Company, Huntington (West Va.) Water Company, Joplin (Mo.) Water Works Company, Keokuk (Iowa) Water Works Company, Kokomo (Ind.) Water Works Company, Louisiana (Mo.) Water Company, Monongahela (Penn.) Valley Water Company, Mount Vernon (Ind.) Electric Light and Power Company, Mount Vernon Water Works Company, Muncie (Ind.) Water Works Company, Portsmouth, Berkley and Suffolk Water Company, Racine (Wis.) Water Company, Sacramento Valley Irrigation Company, St. Joseph (Mo.) Water Company, Shreveport (La.) Water Works Company, South Pittsburgh Water Company, Twin Falls (Idaho) North Side Land and Water Company, Twin Falls Oakley Land and Water Company, Twin Falls Salmon River Land and Water Company, Wellsville (N. Y.) Water Company, Warren (Penn.) Water Company, Wellsville (N. Y.) Electric Light, Heat and Power Company, and Wichita (Kan.) Water Company.

**BROOKLYN RAPID TRANSIT.**—The Appellate Division of the Supreme Court, by unanimous vote, dismissed the appeal of the Brooklyn Rapid Transit and subsidiary companies from an order of the Public Service Commission requiring the Brooklyn roads to equip cars with power brakes and hand-gear brakes.

**DENVER UNION WATER COMPANY.**—Counsel for the City of Denver has rendered an opinion that the Public Utilities Commission, in dealing with the Den-

ver water situation, may legally condemn the present plant operated by this company. If the municipality should take over only a part of the plant, the rule of damages would hold.

**INDIANAPOLIS GAS COMPANY.**—The Public Utilities Commission of Indiana has fixed July 15 as the date for a further hearing on the proposed merger of the company with the Citizens' Gas Company. The attitude of the commission now is that it will not sanction the merger unless both companies will give up their franchises, accept indeterminate grants, and surrender their rate-making powers. Under the terms of the proposed merger the Citizens' Gas Company, which forced its competitor to reduce the price of gas to 60 cents a thousand cubic feet, is to take over the Indianapolis Gas Company and guarantee 7 per cent. on its \$3,000,000 stock, which has not yet paid a dividend. It is charged by opponents of the merger that in March of this year 90 per cent. of the stock of the Indianapolis Gas Company changed hands at a price of 37½, and that the merger, if permitted, would, under the terms of the guarantee, add at least \$2,500,000 to the value of the stocks and bonds of the Indianapolis Gas Company and obligate the Citizens' Gas Company to pay 7 per cent. dividends on the stock and interest on the bonds for a period of ninety-nine years.

**INTERURBAN FREIGHT ELECTRICS.**—Lines operating between Louisville, Ky., and Indianapolis, Ind., have been ordered by the Interstate Commerce Commission to establish through routes and joint rates on less than carload shipments between the two terminal cities, and to intermediate points. Specific class rates are prescribed. This is the first time several lines, all operated by electricity, have been made the subjects of such an order.

**KEYSTONE TELEPHONE COMPANY.**—The company reports for the six months ended June 30:

	1913.	Increase.
Gross earnings .....	\$625,172	\$28,981
Operating expenses and taxes .....	316,989	18,093
Net earnings .....	\$308,473	\$10,978

**MASSACHUSETTS GAS COMPANIES.**—In the past two years there has been a net gain of 339 in the number of common stockholders, bringing the total to 4,064 as of May 1 last with an average holding of sixty-one shares. In the past seven years the number of common stockholders has trebled. The following table shows the increase in the number of common stockholders of the company since 1906 with average holdings:

	1913.	1911.	1909.	1907.	1906.
Common stockholders .....	4,064	3,725	2,963	2,102	1,392
Average holding shares .....	61	67	84	118	179

There are 6,727 preferred stockholders as of June 1 last, compared with 6,623 two years ago and 6,486 three years ago. There are 645 employees of the Boston Consolidated Gas Company who are preferred stockholders through the operation of the profit-sharing plan.

**MEXICO ELECTRIC COMPANY.**—The company has applied to the Public Service Commission, Second District, New York, for authority to issue \$100,000 6 per cent. bonds. The new bonds are to be used for refunding certain obligations and also to make extensions and repairs to the property. The hydro-electric plant of the company will be doubled in capacity, and a new transmission line constructed to connect with the system of the Oswego River Power Transmission Company for a reserve supply of power.

**NORTH SHORE CONSOLIDATED GAS COMPANY.**—The first mortgage bonds of the company have been called for redemption at 105 and accrued interest on Aug. 1. The principal is payable at the Central Trust Company of Illinois, trustee.

**OCTO GAS COMPANY.**—The company has filed with the New York Public Service Commission, Second District, an application for permission to issue \$100,000 capital stock and to execute a mortgage upon all of its property to the amount of \$70,000, the proceeds to be used for the purchase of the People's Natural Gas Company of Ebenezer, the extension of its lines, and for the exercise of a franchise in East Hamburg, Erie County.

**PACIFIC GAS AND ELECTRIC COMPANY.**—Gross earnings of the company for five months ended May 31, 1913, were \$6,796,089; net after taxes, \$2,989,598; surplus after charges, \$1,498,614; balance after preferred dividends, \$1,158,614. The company will soon announce an issue of \$4,500,000 one-year 6 per cent. notes, the proceeds of which are expected to care for its financial requirements until market conditions have improved and \$5,000,000 debentures and \$5,000,000 first and refunding bonds, recently authorized by the California commission, can be sold on more favorable basis than at present.

**THIRD AVENUE RAILWAY COMPANY.**—The Appellate Division of the Supreme Court handed down a decision reducing the assessments of the State Board of Tax Commissioners on the Union Railway, which operates trolleys from the north end of Third Avenue in Manhattan through the Bronx, and on the Forty-second Street, Manhattanville, and St. Nicholas Avenue Railway Company, which is operated by the Third Avenue Railway system. The assessment of \$4,200,000 against special franchises of the Union Railway in the Bronx was cut to \$4,000,468, and the \$230,000 assessment against its special franchise in Manhattan was cut to \$217,280. The Third Avenue's subsidiary had its assessment reduced from \$4,408,520 to \$3,967,672.

**UTAH POWER & LIGHT COMPANY.**—The company and its operating subsidiaries report earnings for June, 1913, and the 12 months ended June 30, 1913, as follows:

	1913.	1912.	Increase.
June gross .....	\$144,079	\$116,857	\$27,213
Net after taxes ..	33,222	59,412	26,810
12 months gross ..	1,543,212	1,478,223	64,989
Net after taxes ..	875,091	814,124	60,967

## Utilities Securities

Transactions and range of quotations for various public utilities securities on other than the New York markets last week were as follows:

Stock	Market	Sales	High	Low	Last
Am. Cities Co. New Orleans		10	37	35	35
Am. Cities Co. pf. New Orleans		836	67	65 1/2	65 1/2
Am. Cities Co. 5-6s. New Or.	\$13,000	90 1/2	90	90	90
Am. Gas & Elec. 5s. Phila.	\$5,000	84	83 1/2	84	84
Am. Railways. Philadelphia		7	28	28	28
Am. Rys. pf. Philadelphia		5	100	100	100
Am. Tel. & Tel. Boston		1,881	127 1/2	126 1/2	127
Am. Tel. & Tel. 4s. Boston	\$18,500	87 1/2	87 1/2	87 1/2	87 1/2
Am. Tel. & Tel. Chicago		75	127 1/2	126 1/2	126 1/2
A. T. & T. 4 1/2s. f. p. Boston	\$12,500	100 1/2	100	100 1/2	100 1/2
Baltimore Elec. pf. Baltimore		20	42	42	42
Baltimore Elec. 5s. Baltimore	\$12,000	97 1/2	97 1/2	97 1/2	97 1/2
Bay State Gas. Boston Curb		4,345	17	16	17
Bell Telephone. Montreal		65	140	138	139
Bell Telephone. new. Montreal		10	134	134	134
Bell Telephone 5s. Montreal	\$2,000	90 1/2	90 1/2	90 1/2	90 1/2
Boston Elevated. Boston		672	90	85 1/2	90
Brazil Tr. L. & P. Toronto		2,751	85	82 1/2	82 1/2
Brazil Tr. L. & P. Montreal		1,100	85	82 1/2	82 1/2
Capital Traction. Washington		712	117 1/2	114 1/2	117 1/2
Capital Trac. 5s. Washington	\$1,000	109	109	109	109
C. & P. Tel. 5s. Washington	\$1,000	103	103	103	103
Chi. City Rys. 5s. Chicago	\$42,000	99 1/2	99	99 1/2	99 1/2
Chicago Gas 5s. Chicago	\$2,000	100 1/2	100	100 1/2	100 1/2
Chi. El. Ry. 5s. Chicago	\$10,000	93 1/2	93	93	93
Chi. Rys. Series 1. Chicago		130	93	92 1/2	93
Chi. Rys. Series 2. Chicago		2,741	25 1/2	23	23 1/2
Chi. Rys. Series 3. Chicago		10	7 1/2	7 1/2	7 1/2
Chi. Rys. Series 4. Chicago		15	3 1/4	3 1/4	3 1/4
Chi. Rys. 5s. Baltimore	\$10,000	96 1/2	96	96 1/2	96 1/2
Chi. Rys. 1st 5s. Chicago	\$51,000	96 1/2	96	96	96
Chi. Rys. 5s. Series A. Chicago	\$1,000	90	90	90	90
Chi. Rys. 5s. Series B. Chicago	\$32,000	79 1/2	78 1/2	79	79
Chi. Rys. income 4s. Chicago	\$1,000	49 1/2	49 1/2	49 1/2	49 1/2
Chicago Tel. 5s. Chicago	\$48,000	100	99 1/2	99 1/2	99 1/2
C. N. & C. L. & T. P. pf. Cin.		30	75	75	75
Cities Service com. Columbus		10	94	94	94
Cities Service pf. Columbus		25	73 1/2	73 1/2	73 1/2
City & Suburban 5s. Baltimore	\$1,000	101 1/2	101 1/2	101 1/2	101 1/2
Clev. & So. Trac. pf. Cleveland		10	26	26	26
Cleveland St. Ry. Cleveland		379	103	102 1/2	102 1/2
Columbia Ry. & L. Columbus		1	13 1/2	13 1/2	13 1/2
Columbia Gas & E. Cincinnati		120	10 1/2	10 1/2	10 1/2
Columbia Gas & E. Cincinnati		20	33	33	33
Columbia Gas & E. Pitts.		430	10	10	10
Common. Edison 5s. Chicago	\$36,000	101 1/2	100 1/2	101 1/2	101 1/2
Common. P. R. & L. Columbus		1	58 1/2	58 1/2	58 1/2
Con. Electric 5s. Chicago	\$5,000	100 1/2	100	100 1/2	100 1/2
Con. Gas 5s. Baltimore	\$3,000	104 1/2	104 1/2	104 1/2	104 1/2
Con. Gas 4 1/2s. Baltimore	\$2,000	93	93	93	93
Con. Power. Baltimore		35	101	103	103
Con. Power pf. Baltimore		55	100	108 1/2	109
Con. Power 4 1/2s. Baltimore	\$4,000	86	86	86	86
Con. Trac. N. J. 5s. Phila.	\$11,000	100 1/2	100	100	100
Con. Gas 5s. Chicago	\$1,000	100 1/2	100 1/2	100 1/2	100 1/2
Con. Trac. N. J. stock. Phila.		100	72	72	72
Consumers' Gas. Toronto		231	174	172 1/2	173 1/2
Cumberland P. & L. pf. Boston		37	97	95 1/2	97
Cuyahoga Tel. Co. 5s. Cleve.	\$2,000	83 1/2	83 1/2	83 1/2	83 1/2
Danville T. & P. 5s. Balt.	\$4,000	92 1/2	92	92 1/2	92 1/2
Detroit Elec. Ry. Montreal		255	68	65 1/2	66 1/2
Detroit United 4 1/2s. Balt.	\$1,000	68	68	68	68
Dominion Tel. Toronto		5	100	100	100
Duluth Superior. Toronto		65	56	56	56
Equitable Illum. 5s. Phila.	\$4,000	105	105	105	105
Elec. Bond Dep. pf. Columbus		9	68 1/2	68 1/2	68 1/2
Edison Elec. 5s. Philadelphia	\$1,000	105	105	105	105
Edison Elec. Ill. Boston		118	277	275	277
EL. & P. T. 4s. Philadelphia	\$15,000	85 1/2	85	85	85
Fairmount C. & Tr. 5s. Balt.	\$1,000	90	90	90	90
Georgia Ry. & Elec. Boston		10	82 1/2	82 1/2	82 1/2
Harwood Elec. 6s. Phila.	\$5,000	102 1/2	102 1/2	102 1/2	102 1/2
Illinois Trac. pf. Montreal		8	80	80	80
Keystone Tel. 5s. Phila.		1,185	12	10 1/2	12
Keystone Tel. pf. Phila.		110	46 1/2	45	46 1/2
Keystone Tel. 5s. Phila.	\$9,000	90 1/2	90 1/2	90 1/2	90 1/2
Knoxville Trac. 5s. Balt.	\$2,000	90 1/2	90 1/2	90 1/2	90 1/2
Lake Shore Elec. Cleveland		10	6	6	6
Lehigh Val. Tr. Phila.		150	19 1/2	19 1/2	19 1/2
Lehigh Val. Tr. pf. Phila.		505	32 1/2	32	32 1/2
Lehigh Val. Tr. 1st 5s. Phila.	\$2,000	103	103	103	103
Little Miami G'd. Cin.		3	202 1/2	202 1/2	202 1/2
Market St. Elev. 4s. Phila.	\$8,000	93 1/2	93	93 1/2	93 1/2
Mackay Co. Toronto		283	77 1/2	76	76
Mackay Co. pf. Toronto		102	60 1/2	60	60
Mackay Co. 5s. Montreal		75	65 1/2	65	65
Mfrs. L. & Heat. Pittsburgh		915	48	47	47 1/2
Maryland Elec. 5s. Baltimore	\$5,000	96 1/2	96 1/2	96 1/2	96 1/2
Mass. Electric pf. Boston		46	68 1/2	67 1/2	68 1/2
Mass. Elec. stamped. Boston		15	70	70	70
Mass. Electric. Boston		110	14	13 1/2	13 1/2
Mass. Gas. Boston		309	90 1/2	90	90 1/2
Mass. Gas pf. Boston		147	90	87	87
Mass. Gas 4 1/2s. 1931. Boston	\$1,000	93 1/2	93 1/2	93 1/2	93 1/2
Mass. Gas 4 1/2s. 1929. Boston	\$2,000	95 1/2	95 1/2	95 1/2	95 1/2
Min. & St. P. Jct. 5s. Balt.	\$1,000	101 1/2	101 1/2	101 1/2	101 1/2
Mexican Tel. Boston		90	3 1/2	3	3 1/2
Montreal L. H. & P. Montreal		796	210	207	207
Montreal St. Ry. 4 1/2s. Montreal	\$1,000	97 1/2	97 1/2	97 1/2	97 1/2
Montreal Telegraph. Montreal		22	135	135	135
Montreal Tram. deb. Montreal	\$9,100	75 1/2	74 1/2	75	75
Montreal Tram. 5s. Montreal	\$1,000	90 1/2	90 1/2	90 1/2	90 1/2
Mont. Tram Power. Montreal		587	32 1/2	30	31
New Eng. Tel. Boston		121	140	139	139 1/2
New Eng. Tel. 5s. Boston	\$11,000	101 1/2	100 1/2	100 1/2	100 1/2
N. O. Ry. & Lt. R.R. 5s. N. Or.	\$1,000	86	86	86	86
N. O. Ry. & Lt. 4 1/2s. N. O.	\$11,000	82 1/2	82	82 1/2	82 1/2
N. O. & Carrollton 5s. N. O.	\$5,000	104 1/2	104 1/2	104 1/2	104 1/2
Nor. Ohio Tr. & L. Cleve.		43	64 1/2	64	64 1/2
Nor. Ohio Tr. & L. pf. Cleve.		35	99	99	99
Nor. Ohio Tr. & L. 4s. Cleve.	\$1,000	72	72	72	72
Nor. Ohio L. & T. Cin.		20	65	65	65
Nor. Ohio L. & T. pf. Cin.		50	98	98	98
Ottawa L. H. & P. Montreal		238	151	149	149 1/2
O. L. H. & P. rights. Montreal		490	20	19	19
Pac. Gas & Elec. San Fran.		950	44	41	44
Pac. Gas & E. pf. San Fran.		175	87	84	87
Pac. Tel. pf. San Fran.		125	92	91 1/2	91 1/2
People's Gas. Chicago		20	111	110 1/2	110 1/2
People's Gas ref. 5s. Chicago	\$5,000	100 1/2	99 1/2	100	100

Penn. Water & P. Balt.	180	62	60 1/2	62
Penn. Water & P. 5s. Balt.	\$1,000	96 1/2	96 1/2	96 1/2
Penn. Water & P. 5s. Balt.	\$4,000	90 1/2	90 1/2	90 1/2
*Philadelphia Co. Phila.	608	40	39	39
Phila. Co. 1st 5s. Phila.	\$8,000	97	96 1/2	96 1/2
Phila. Co. con. 5s. Phila.	\$2,000	85 1/2	84 1/2	84 1/2
Phila. Electric. Phila.	2,002	22	21 1/2	21 1/2
Phila. Elec. gold 5s. Phila.	\$3,500	102	102	102
Phila. Electric 4s. Phila.	\$8,000	80	79 1/2	80
Phil. Ger. & Nor. stock. Phila.	4	135	135	135
Phila. R. T. stock. Phila.	1	21	21	21
Phila. R. T. t. c. Phila.	740	21 1/2	21	21 1/2
Phila. Traction. Phila.	3	82	81 1/2	81 1/2
Portland Ry. & L. Columbus	1	61 1/2	61 1/2	61 1/2
Porto Rico Ry. Toronto	27	52	51	51
Porto Rico Rys. Montreal	10	50	50	50
Porto Rico Ry. 5s. Montreal	\$2,500	88	88	88
Potomac Elec. con. 5s. Wash.	\$5,000	100 1/2	100	100 1/2
Potomac Elec. Lt. 5s. Wash.	\$1,000	105	105	105
Quebec Railway. Montreal	700	11	10 1/2	10 1/2
Quebec Railway 5s. Montreal	\$1,000	44 1/2	44	44 1/2
Stand. Gas & Elec. 6s. Phila.	\$1,000	94	94	94
St. Louis & Sub. gen. 5s. St. L.	\$1,000	75 1/2	75 1/2	75 1/2
Shawingian W. & P. Montreal	102	124	123	123
Sec. & Third Pass. Phila.	1	238	238	238
Seattle Elec. 5s. Boston	\$1,000	100	100	100
Sou. Side L. 4 1/2s. Chicago	\$10,000	91	91	91
Texas. P. & L. 5s. N. O.	\$2,000	94 1/2	94 1/2	94 1/2
Toledo Home Tel. 5s. St. Louis	\$1,000	92	92	92
Toronto Railway. Toronto	128	137	136	136
Toronto Railway. Montreal	103	137	136	137
Twin City. Montreal	310	103	102	102
Twin City. Toronto	296	103	101 1/2	102 1/2
Union Depot 5s. St. Louis	\$3,000	102 1/2	102 1/2	102 1/2
Union Traction. Philadelphia	529	48 1/2	47 1/2	48 1/2
United Gas Imp. Philadelphia	780	84	83 1/2	83 1/2
Un. Rys. Inv. 5s. Philadelphia	\$27,000	72	70	70
United Co. N. J. Phila.	7	220	220	220
Un. Ry. & E. 4s. Baltimore	\$4,000	82 1/2	82 1/2	82 1/2
Un. Ry. & E. Balt. inc. 5s. Balt.	\$14,000	62	61 1/2	61 1/2
U. R. & E. Balt. stock. Balt.	1,027	26	25 1/2	26
U. S. Tel. 5s. Cleveland	\$1,000	79 1/2	79 1/2	79 1/2
United Rys. St. L. St. Louis	10	10	10	10
Un. Ry. Co. of St. L. pf. St. L.	292	32	31	31 1/2
Un. Ry. Co. of St. L. 4s. St. L.	\$11,000	70	69 1/2	70
Utility Imp. Columbus	6	47 1/2	47	47
Utility Imp't. pf. Columbus	113	70	69 1/2	69 1/2
Washington Gas. Washington	1,775	80 1/2	80 1/2	80 1/2
Washington Gas 5s. Wash.	\$1,500	108	108	108
Wash. Ry. & Elec. Wash.	50	80 1/2	80	80 1/2
Wash. Ry. & Elec. pf. Wash.	21	88 1/2	88	88
Wash. Ry. & Elec. 4s. Wash.	\$9,000	82 1/2	82 1/2	82 1/2
West. Can. Power. Montreal	66	52 1/2	50	50
West End St. Ry. Boston	65	72	70	71
Winnipeg Ry. Montreal	20	192 1/2	190	190
West End St. Ry. 4s. 1915. Bos.	\$4,000	97	97	97
West. Union Tel. Boston	2	61 1/2	61 1/2	61 1/2
West. Tel. & Tel. 5s. Bos.	\$14,000	98 1/2	98	98
Winnipeg Ry. Toronto	107	190 1/2	190	190
Winnipeg Ry. 5s. Montreal	\$1,000	101	100	100
York Ry. Philadelphia	50	11 1/2	11 1/2	11 1/2
York Ry. pf. Philadelphia	25	37	37	37

## News Digest

### FORECAST AND COMMENT

GEORGE M. REYNOLDS.—We are confronted with a plan which proposes to compel the banks of the country to turn over to a political committee virtual control of about ten billion dollars of banking power, the result of fifty years of conscientious labor on the part of the officers of 7,500 national banks in the United States. I want to say here and now that I am firmly of the belief the Government should have some supervision over the system of banking and currency which shall be established, but it should be purely regulatory and not of an initiative, administrative, or controlling character.

MR. TATE OF AGRICULTURAL COMMISSION.—There is one thing certain which we have learned, and that is that co-operation is a success in Europe; whether or not it can be applied to the United States remains to be seen. We found that their systems of rural organization had practically revolutionized the development of agricultural work. The farmers have been lifted up to independence through co-operative agricultural societies and credit banks which lend them money at from 2 1/2 to 5 per cent. On the other hand, we have very little to learn from the social conditions. In nearly all the countries we visited we found women doing farm work; sometimes, in fact, they were doing the major portion.

IRON AGE.—The springing up of demand for pig iron in larger volume than has developed at one time in several months has marked the past week, indicating that, in the belief of some important buyers, prices had at last reached an attractive level. On Southern iron, in particular, tempting prices were named by one or two interests, \$10 at Birmingham for No. 2 having been the basis on several large lots. Definite data as to the amount of business done at this figure are lacking, but it is asserted that those who sold at \$10 have now withdrawn that price and are holding for \$10.50.

COAL AGE.—The Eastern bituminous market has weakened slightly, under the influence of the strike settlement in the New River field. It is now easy to buy at circular prices in the New England States, but on the other hand there is no shading, and quotations are being firmly maintained; there is some slight tendency to sag on the lower grades only. It is believed by some that the soft coal market will ease off into the customary Summer dullness, but on the other hand the West Virginia trouble was not of sufficient proportions to have materially affected the situation in any event. Buyers who expected to obtain their coal cheaply through the Summer are still being disappointed, there being little prompt tonnage available, even in the lower grades.

THOMAS GIBSON.—General business continues to go forward at a rate that a great many observers a few months ago thought would not be possible in face

of the proposals in connection with the tariff. Bank clearings for the month of June and the first six months of the year, in spite of decreases in New York, show a slight gain.



Webster Hall, New York, at which time it was expected that a strike vote would be taken, probably in the affirmative. However, President Garretson of the latter organization said it was possible that the men would vote not to strike until President Wilson had expressed his views of the situation. President Low of the National Civic Federation on Saturday addressed a meeting of 800 of the trainmen's representatives and earnestly requested that action be deferred until after the conference on the amendments to the Erdman act, which is to be held in Washington on Monday. He said that the passage of the bill would insure arbitration. Secretary Ralph M. Easley of the federation was hopeful for the passage of the bill. "In that event," he said, "the railroads will be morally bound to accept arbitration, and with arbitration there will be no strike. The bill was drafted by eight railroad Presidents and representatives of the brotherhoods now asking more wages, and was fathered by the Civic Federation. It passed the Senate, but when it reached the House some changes were made at the suggestion of Secretary of Labor Wilson. I am of the opinion that when the bill passes it will be acceptable to those most interested in it."

The conference will be attended by President Wilson, Secretary Wilson, Senator Francis G. Newlands, Chairman of the Interstate Commerce Committee of the Senate; Congressman Henry D. Clayton, Chairman of the Judiciary Committee of the House; Judge Martin J. Knapp of the United States Commerce Court; Seth Low, President of the Civic Federation; Marcus M. Marks, Mr. Easley, and representatives of the railroads, conductors, and trainmen.

At the meeting Sunday afternoon the representatives voted to strike.

**LIABLE TO CORPORATION TAX.**—Commissioner of Corporations Osborn has announced that corporations organized in the United States, but doing business in foreign countries, are liable to the Federal corporation tax.

**IMPERSONATING CONGRESSMEN.**—As a direct result of David Lamar's confession to the Senate Lobby Committee that he had impersonated Representatives Palmer of Pennsylvania, and Rindan of New York in telephone conversations with Robert S. Lovett, Lewis Cass Ledyard, and others, Senator Cummins will introduce a bill to-morrow to prohibit such practices as those indulged in by Lamar. The bill also will be aimed at such lobby activities as those which Col. Martin M. Mulhall admits he was engaged in. The New York Stock Exchange Committee on business conduct is closely scrutinizing testimony being given at Washington, with a view to learning if any New York Stock Exchange houses have had any dealings with Lamar.

**BILL AGAINST FARM PRODUCTS FUTURES.**—A bill to prevent gambling in farm products futures was introduced in the Senate by Senator Robinson of Kansas. The measure prohibits the transmission of messages between States and countries which relate to the purchase or sale of farm products not intended for delivery.

**FIRE LOSSES.**—Losses by fire in the United States and Canada in the first half of 1913 amounted in value of property destroyed to \$118,245,650, according to the records of The Journal of Commerce, against \$134,372,450 in the same period of 1912, and \$129,601,750 for the opening six months of 1911.

**THE GOVERNMENT TWOS.**—Secretary of the Treasury McAdoo issued a statement on Wednesday as follows: "A question has been raised as to the status of the 2 per cent. bonds in the event of the passage of the proposed currency bill. The bill as originally drawn provided for the compulsory refunding of 10 per cent. of the outstanding twos annually. Had this provision stood it would have been necessary to limit the circulation privilege of the banks to the amount of circulation they had outstanding against Government bonds the time of the passage of the bill, and such a provision was incorporated in the measure. Subsequently it was determined to make the refunding of the twos permissive instead of compulsory and to change the amount to be refunded from 10 per cent. to 5 per cent. annually. This change made the limitation on the power of the banks to take out circulation against the twos unnecessary, but through an oversight this provision was not eliminated from the draft of the bill which is now under consideration. I have discussed this matter with Senator Owen and Congressman Glass, respectively Chairmen of the Banking and Currency Committees of the Senate and House, and we are all in entire agreement that the bill should be so amended as to not interfere or impair the rights of the banks to take out circulation against the 2 per cent. bonds now owned or hereafter acquired by them up to the full amount of their capital, as provided by existing law. Nothing will be done to abridge or impair the rights of the holders of the 2 per cent. bonds, whether such holders are banks or individuals. This is simply justice. The bill should, of course, provide that 3 per cent. bonds issued to refund the twos shall not have the circulation privilege." Nelson Cook & Co. of Baltimore say: "A feature of the markets this week was a decline in the price of Government 2 per cent. bonds to 98. Up to last week, Government 2 per cent. bonds had never sold below par, and they have sold as high as 110½. The present decline is probably due to the realization by the holders of these bonds—the national banks—that even should the provision of the proposed banking bill to increase the rate of interest to 3 per cent., without circulation privileges, become effective, a 3 per cent. Government bond would probably not sell at par. Under ordinary conditions it is possible that a 3 per cent. Government bond might be sold in limited quantities at par, and, as it is provided under the proposed banking bill that the national bank circulation shall not be retired except over a period of twenty years at the rate of 5 per cent. per annum, this provision, if carried out, would not bring any greater quantity of Government bonds on the market. However, if, as it is generally supposed, an appreciable number of banks decline to enter the organization under the Federal reserve banks proposition, such banks would no doubt surrender their charter, sell their Government bonds and retire their circulation. It would not take a

large amount of Government 2 per cent. bonds under such conditions to produce a decline in their market value much under present quotations, although it is to be remembered that the lower the price for Government 2 per cent. bonds, the greater the inducement for national banks to buy them and take out additional circulation.

## FINANCIAL

**YIELD OF GOVERNMENT BONDS.**—The Secretary of the Treasury gives average income yield on Government securities during the month of June as follows: Coupons 2s of 1930, 2.000 per cent.; Panama 2s of 1918-1938, 1.996 per cent.; Panama 10-30-year 2s, 1916-1936, 1.996 per cent.; Panama 3s of 1961, 2.877 per cent., and coupon 4s of 1925, 2.601 per cent.

**TENNESSEE BONDS.**—Syndicate managers announce that the Tennessee one-year 5 per cent. bonds sold to a New York banking syndicate, to refund \$9,222,000 4 per cent. bonds due July 1, have all been sold.

**GOLD BARS SOLD.**—Sales of gold at the United States Assay Office in New York in June, with comparisons: 1913. 1912. 1911.

January	2,888,562	\$2,220,505	\$2,239,964
February	2,591,241	2,335,569	2,085,715
March	2,828,363	2,200,272	2,471,441
April	2,987,301	2,406,879	2,085,458
May	2,873,334	2,382,798	2,530,508
June	2,815,847	2,354,219	2,432,868
July	2,039,839	1,862,176	
August	2,740,570	2,505,007	
September	2,971,692	2,979,335	
October	3,862,341	3,038,572	
November	2,948,497	2,530,813	
December	2,513,670	1,991,548	

**GOLD EXPORTS.**—Five millions in gold were exported during the week, the gold going, it was said, to the Bank of France.

**WORLD'S GOLD HOLDINGS.**—Amounts of gold held in important banks and treasuries and conversion offices of the various countries now and a year ago, according to The Statist, compare as follows:

Banks of	1913.	1912.
Austria-Hungary	\$252,000,000	\$200,335,000
Belgium	44,415,000	38,055,000
Denmark	22,445,000	21,720,000
England	102,465,000	207,550,000
France	683,203,000	652,200,000
Germany	269,885,000	221,975,000
Italy	252,315,000	230,420,000
Netherlands	67,255,000	60,165,000
Norway	11,745,000	10,175,000
Russia	805,505,000	752,400,000
Spain	91,080,000	85,170,000
Sweden	28,555,000	25,125,000
Switzerland	34,150,000	32,100,000
U. S. Treasury	1,284,770,000	1,236,600,000
U. S. national banks	151,240,000	163,275,000
Argentina	263,300,000	209,270,000
Brazil	124,545,000	115,380,000
India	128,320,000	108,100,000
Total	\$4,687,220,000	\$4,431,255,000

## RAILROADS

**BALTIMORE & OHIO** reports estimated income account for the year ended June 30:

	1913.	1912.	1911.
Gross	\$101,541,905	\$92,594,232	\$88,145,604
Net after tax	23,936,263	24,434,950	22,634,375
Other income	5,128,935	4,342,392	4,896,598
Total income	29,065,198	28,777,342	27,530,973
Surplus after charges	13,201,130	13,941,304	12,819,991

**BURLINGTON.**—President Miller denies the report that the company will buy the New Orleans, Mobile & Chicago Road from the Frisco, and says the Burlington will not go south of the Ohio River.

**CANADIAN PACIFIC.**—The President of the company, Sir Thomas Shaughnessy, has denied the rumors that the company contemplates an issue of additional stock. "The Canadian Pacific is comfortably off for cash," he said, "being placed so by the recent \$106,000,000 common stock issue. No additional issue of common stock is imminent."

**CAROLINA, CLINCHFIELD & OHIO RAILWAY.**—The company reports for the ten months ended April 30 last, gross revenues amounting to \$2,377,550, compared with \$1,917,941 for the ten months ended April 30, 1912; fixed charges, \$767,924, against \$843,775, and a surplus of \$613,748, contrasted with \$116,925.

**COAL SHIPMENTS.**—Shipments of anthracite by the coal roads have been:

	1913.	1912.	Decrease.
June			
Philadelphia & Reading	1,153,107	1,166,670	11,563
Lehigh Valley	1,183,821	1,175,688	*8,133
Central of New Jersey	851,445	850,788	*657
Del. Lackawanna & W.	827,714	836,365	8,651
Delaware & Hudson	568,352	670,331	101,979
Pennsylvania	510,341	555,674	45,333
Erie	601,892	708,906	107,014
Ontario & Western	211,375	227,224	15,849
Total	5,970,047	6,191,646	221,599
January 1 to June 30.	1913.	1912.	Increase.
Philadelphia & Reading	6,858,384	5,261,335	1,597,049
Lehigh Valley	6,592,131	4,712,606	1,879,465
Central of New Jersey	4,575,664	3,372,000	1,203,574
Del. Lackawanna & W.	4,789,360	3,717,584	1,071,776
Delaware & Hudson	3,504,539	2,573,212	931,327
Pennsylvania	3,167,106	2,354,891	812,215
Erie	4,070,702	3,167,540	912,252
Ontario & Western	1,284,878	937,061	347,217
Total	34,851,854	28,096,979	8,754,875
*Increase.			

**CHICAGO & EASTERN ILLINOIS.**—The Protective

Committee for the preferred and common stocks, and for the trust certificates for such stock, has now received considerably more than a majority of each class of stock. The committee, however, requests further and prompt deposits.

**DENVER & RIO GRANDE.**—Prosecution of the railroad for violation of the commodities clause of the railway rate law will be recommended to the Department of Justice by the Commerce Commission. This was announced by the commission in a ruling that the railroad was guilty of an unjust rate discrimination in its ownership of coal mines. The telephone will replace the telegraph for train dispatching on the Denver & Rio Grande system, according to Vice President Brown. Construction gangs will start this week installing a special and private telephone system between Grand Junction, Colorado, and Ogden, Utah. For this purpose two heavy copper wires will be strung a distance of 328 miles, at an expense of upward of \$30,000. It will require between sixty and ninety days to complete the work.

## DULUTH & IRON RANGE

	1913.	1912.	1911.	1910.
Mileage	272	274	191	108
May gross	\$954,588	\$807,264	\$696,932	\$1,760,886
Net after taxes	553,699	467,932	397,578	600,853
11 mos. gross	6,068,949	5,731,292	6,502,451	8,966,184
Net after taxes	2,868,191	2,807,018	3,233,914	4,725,026

**GRAND TRUNK.**—Chairman Smithers of the Board of Directors, who was jointly indicted with E. J. Chamberlin and President Mellen of the New Haven, may not this year make the annual inspection of the road usually made in August each year. Grand Trunk officials state that no time for Mr. Smithers's leaving London has been fixed, and that it is not even decided that he will leave England this year.

**MISSOURI, KANSAS & TEXAS.**—Judgment for \$15,000,000 against the railroad is asked in a suit filed in the District Court in Austin, Tex. Violation of the Texas anti-trust laws is alleged. The Missouri, Kansas & Texas of Kansas, the same organization in Texas, the Dallas, Cleburns & Southwestern Railroad Company, the Denison, Banham & New Orleans Railway, and the Texas Central Railway are made defendants. The State charges that by its coalition with other roads the Missouri, Kansas & Texas of Kansas has created a monopoly in Texas and has so routed passengers and freight as to compel their transportation over the controlled lines.

**NATIONAL RAILWAYS OF MEXICO.**—The Mexican Government has signed a contract with the Compagnie des Chemins de Fer Secondaires of Brussels, Belgium, for construction of 5,000 kilometers (3,105 miles) of railroads, as an addition to the national system. The Government guarantees interest on bonds at 5 per cent. The Belgian company takes them at a rate to net 6 per cent.

**NEW YORK CENTRAL.**—Senator Norris of Nebraska introduced a resolution, which was adopted unanimously by the Senate, inquiring into the proposed issue of \$157,102,300 4 per cent. mortgage bonds of the New York Central for the purpose of taking up the New York Central 3½s and against the stock of the Michigan Central and Lake Shore. Senator Norris stated that in his judgment the proposed issue was unwarranted and illegal and put up an unwarranted capitalization. He claims that if this is proven the matter should go before the Department of Justice.

**NEW HAVEN.**—The past week has been one of severe pressure for the road. On Monday President Mellen entered a personal plea before Coroner Phelan to be excused from answering questions about the Stamford wreck on the ground that he was an indicted defendant awaiting trial on charges of manslaughter arising from the wreck at Westport, and that his answers might jeopardize his chances of acquittal. On Tuesday, President Mellen resigned the Presidency of the Maine Central and Boston & Maine Roads, on the ground that the management of three such roads was too large a task for one man. On Wednesday the Interstate Commerce Commission issued a report severely criticizing the New Haven for wastefulness in the management of its affairs. In part the report said: "Our general conclusion is that the outside financial operations of the New Haven Company for the last nine years have been wasteful in the extreme, and that the methods by which those operations have been conducted are unnecessarily involved and complex. The reason for this is as apparent as the fact itself. The present management of that company started out with the purpose of controlling the transportation facilities of New England. In the accomplishment of this purpose it bought what must be had, and paid what must be paid. To this purpose and its attempted execution can be traced every one of these financial misfortunes and derelictions. It seems proper to add that, while the financial operations of this company have resulted in heavy losses, there is nothing to indicate that its solvency has been impaired. The company has expended in the last nine years upon its road and equipment over \$50,000 a mile, a sum almost equal to the average capitalization of the railroads of the United States at the beginning of that period. While this expenditure has been made with a free hand, there is nothing to show that it has not been wisely made and much to indicate that the result has fully justified the outlay. The outside properties of the New Haven have been acquired at extravagant prices. They are for the most part of substantial value, and in many instances are a kind of property the value of which should improve. The financial condition of the company calls for careful consideration and prudent action, but gives no occasion for hysteria." In its acquisition of the Rhode Island trolley lines, the methods pursued, Commissioner Prouty suggests, "afford an instructive object lesson in the realm of what is sometimes termed 'high finance.'" After passing through the hands of two or three corporations, the trolley lines were acquired by the New Haven at "inflated" prices. "Representatives of the New Haven Company," the report says, "insisted that this company had not watered the stock of the Rhode Island Company, and this, strictly speaking, is true. The Improvement Company turned in the water and the New Haven Company converted that water into wine. In whatever aspect the transaction is viewed, the New

Haven gave \$13,500,000 for nothing." It was shown that the trolleys cost the New Haven to date about \$24,000,000, and have been valued at something more than one-quarter of that amount. "We are not concerned," says the report, "with the amount lost, but rather with the character of the transaction. The inevitable query is: 'What was the motive behind this transaction, and who made the profit?' That question, in the very nature of such transactions, never can be satisfactorily answered." The New York, Westchester & Boston Railway, the evidence disclosed, a four-track electric road extending from White Plains, N. Y., to a terminus at Harlem River, a distance of twenty miles, was built and is owned by the New Haven. When it was opened for business in 1912 it had cost the New Haven about \$34,000,000, \$12,000,000 in excess of the value of the property on the New Haven's own showing. "Again the question arises," suggested Commissioner Prouty, "What has become of this \$12,000,000?" So far as the records go, this money has vanished into thin air. In our opinion the New Haven should divest itself of its trolley lines. The acquisition of trolley lines as well as steam lines which are competitive is already prohibited, but this does not reach the root of the matter. If the New Haven Company is permitted to remain in control of the Boston & Maine system there will exist an almost exclusive monopoly of transportation facilities by railroad in the greater part of New England. It would seem to be perfectly apparent that if this monopoly is suffered to exist there must be somewhere a power of regulation which is coextensive with the monopoly. In other words, the Federal Government must assume jurisdiction over the maintenance and operation of these railroads in so far as may be necessary to secure to the public a proper service. This investigation emphasizes the fact that service is often of even greater importance than the rate itself. No order was made by the commission, but in its opinion the following proposals, which have national application to all railroads, lie at the foundation of adequate railroad regulation: "Every interstate railroad should be prohibited from expending money or incurring liabilities or acquiring property not in the operation of its railroad or in the legitimate improvement, extension, or development of that railroad. No interstate railroad should be permitted to lease or purchase any other railroad, nor to acquire the stocks or securities of any other railroads, nor to guarantee the same, directly or indirectly, without the approval of the Federal Government. No stocks or bonds should be issued by an interstate railroad except for the purposes sanctioned in the two preceding paragraphs, and none should be issued without the approval of the Federal Government."

On Thursday the road received still further criticism from the Interstate Commerce Commission. The commission holds that the inexperience of Charles J. Doherty, engineer of the second section of the wrecked westbound Boston express, mainly was responsible for the wreck. The company is criticised for negligence, and it is asserted that better methods of operation are necessary immediately to insure safety to passengers. Chairman Clark of the Interstate Commerce Commission has submitted to Assistant Attorney General Adkins of the Department of Justice the entire record of testimony taken by the commission relative to charges against the New York, New Haven & Hartford Railroad, Boston & Maine, Maine Central, and allied lines, that the parent company was a monopoly in restraint of interstate commerce. A complete record of the entire proceedings against the New Haven system, which has been before the commission in various ways for the past five years, was sent to the department. Assistant Attorneys General Adkins and Gregory, it was announced at the department, will begin active consideration of the matter at once, and within the next several weeks will take the inquiry into the New York field.

In reply to this report the road issued the following statement: "The Interstate Commerce Commission report of the Stamford accident fails to state that the enrollment of the inexperienced engineer was practically forced upon the New Haven Railroad by the engineers of the company. On May 14, 1910, an agreement between the engineers and the company was entered into, providing that 'spare engineers shall be run first in and out so far as is possible with the requirements of the service; and when engineers are assigned to temporary vacancies they shall remain unchanged, provided they are competent, until the regular engineer returns. They shall receive rates of the regular engineers while on the road.' In the Fall of 1912 an order was issued to the effect that spare engineers with less than two years' experience or two years' rating as engineers would not be allowed to run through passenger trains. This order was protested by the engineers on the ground that the company had not adhered to the rule of giving the engineers thirty days' notice before amending existing rules. The company then issued the thirty days' notice, and when this time was up C. L. Bardo was general manager. The company's engineers, as was the case with all the Eastern railroads, had been in an unsettled state of mind owing to the arbitration of the wage question. Mr. Bardo, realizing this, with the engineers still protesting, asked the engineers to propose a counter ruling on this question of experience in running trains. The engineers offered the rule which is now in effect, which provides instead of two years' experience a requirement of one year. Mr. Bardo accepted this amendment because it was essential to public safety that the engineers should get back to work without having another long dispute to settle with the company. Besides, not a single case could be found where the young engineer had been the cause of any trouble whatever. The company was demanding something that was unnecessary from the view of the engineers, and the company could not prove from past experience that a two years' rating was necessary. Mr. Bardo considered it a step in the right direction. Doherty, the engineer of Second No. 53, the day of the accident, had an excellent record. The company had no way of telling that he was incompetent; in fact, Mr. Bardo testified that he still believed, 'in all general matters as to his competency, Doherty was a competent man.' The Interstate Commerce Commission reports the company's negligence for employing Doherty on this line, but passes over the part played by the engineers in the matter."

The management of the company has announced that a meeting of the division and mechanical superintendents has been called to consider the report and recommendations of the Interstate Commerce Commission, relative to the Stamford wreck. "Immediate

steps will be taken," he said "to bring the operation of the railroad up to the standard recommended in the commission's report. The management will hold a meeting with a committee representing the engineers of the company within two or three days to discuss that feature of the accident which had to do with the employment of spare engineers on passenger trains. One feature of the commission's report has already been acted upon. For many months the company has been working upon a plan for changing the signal system between South Norwalk and Stamford from a manual controlled lock and block system to an automatic block system."

**NORTHERN PACIFIC.**—The company has sold \$10,000,000 one-year 6 per cent. notes. They are dated July 9. Proceeds from the sale of the Northern Pacific one-year notes will be used by the company mainly for the payment of equipment ordered last Winter for delivery this Fall. These orders included 60 locomotives, 2,500 box cars, and several hundred refrigerators and gondolas. Construction work on the Point Defiance Line, which is on the route between Tacoma and Vancouver, will also take up some of the money.

**PENNSYLVANIA.**—Charles Hansel, consulting engineer, has been appointed consulting valuation engineer for the Pennsylvania Railroad, the Pennsylvania Company, and the affiliated lines of the Pennsylvania system, and will supervise the valuation of all these properties. The President's Committee of the railroads has appointed Mr. Hansel a member of the Committee of Engineers to confer with the Interstate Commerce Commission and its engineers in the preparation of all matters relative to the valuation of railroads.

**RIO GRANDE SOUTHERN.**—

	1913.	1912.	1911.	1910.
May gross.....	\$60,412	\$41,338	\$43,133	\$48,769
Net after taxes.....	23,797	\$3,416	13,137	11,795
Surplus after charges.....	6,683	\$9,690	\$2,669	\$5,468
11 months gross.....	608,086	468,805	516,841	490,081
Net after taxes.....	182,711	\$6,114	154,032	100,586
Surplus after charges.....	6,027	\$24,917	\$17,121	\$64,239

\*Deficit.

**ST. LOUIS & SAN FRANCISCO.**—William C. Nixon and William M. Biddle have been appointed by the Federal District Court as successors to B. L. Winchell in the receivership of the road. Mr. Winchell has been appointed Director of Traffic of the Union Pacific Railroad, and will take up his new duties on July 15, with headquarters in Chicago. At present Mr. Nixon is in charge of operation, and Mr. Biddle of traffic. Frank Andrews, of Houston, Tex., has been appointed receiver for the St. Louis, Brownsville & Mexico Railroad, a Frisco subsidiary, running from Houston to Brownsville, Tex. Avery H. Turner, of Amarillo, Tex., and G. S. Schleyer, of Fort Worth, have been appointed receivers for the Frisco lines in Texas. The petition under which they were named was presented by Thomas H. West and B. L. Winchell as receivers for the general system. A. D. Lightner, Vice President and General Manager of the New Orleans, Texas & Mexico Railroad, another Frisco subsidiary, running from Baton Rouge to Houston, has been appointed temporary receiver of that road, on petition of Illinois creditors. A cable from Paris says that on demand of the Association Nationale des Porteurs Valeurs Etrangeres leave of absence has been granted by the Minister of Finance to M. de Peyster, a Government Inspector of Finances, who will come to the United States in August to investigate the company's matters.

**SOUTHERN PACIFIC-BALTIMORE & OHIO.**—The Public Service Commission of Maryland is expected to act within a few days on the application of the Pennsylvania to transfer its B. & O. stock to the Union Pacific under the Union-Southern Pacific dissolution plan. Under the laws of Maryland authority must be given by the commission before the stock can be legally transferred.

**UNION SOUTHERN PACIFIC.**—The decree dissolving the Union Pacific-Southern Pacific merger was entered last week at a special session of the United States District Court in Salt Lake City. The way is now open for Trustees, appointed by the court, to dispose of the \$126,000,000 Southern Pacific stock owned by the Union Pacific Railroad Company.

## INDUSTRIALS, MISCELLANEOUS

**AMERICAN MANUFACTURING COMPANY.**—A permanent injunction restraining the speakers of the Socialist Party in Kings County from holding meetings within 1,000 feet of the plant of the American Manufacturing Company, at West and Noble Streets, Greenpoint, has been signed by Justice Garretson of the Supreme Court in Brooklyn. The hearing lasted several days. In his decision he said that he did not wish to curtail the freedom of speech, but merely to prevent the Socialists from trespassing on the property of the company.

**AUTOSALES GUM AND CHOCOLATE COMPANY.**—The report of the company for the year ended April 30, 1912, shows net profit on sales, \$296,570; net profit from operations, \$175,692; other income, \$22,528; gross income, \$198,219; charges, reserves, &c., \$242,233; deficit before depreciation, \$44,917.

**BARNEY & SMITH CAR COMPANY.**—According to an entry filed in the receivership matter of the company the concern will build steel passenger cars. The entry gives authority to expend \$175,000 on the plant in order to adapt it to such work.

**CANADIAN CAR & FOUNDRY COMPANY.**—The Royal Securities Corporation, Limited, has purchased jointly with Lee, Higginson & Co. of Boston \$500,000 6 per cent. first mortgage bonds of the company. The money was required to finance the new Fort William plant.

**KENTUCKY REFINING COMPANY.**—The Central Bank and Trust Corporation of Atlanta, Third National Bank of Atlanta, Bank of Rockdale, Conyers, Ga., and

First National Bank of Madison, Ga., have filed a petition in the United States District Court asking for the appointment of a receiver for the Kentucky Refining Company.

**HUDSON NAVIGATION COMPANY.**—Now that Charles W. Morse has again obtained control of the company a steamboat rate war on the Hudson is predicted.

**JONES & LAUGHLIN STEEL COMPANY.**—The company has closed down its twenty-four mill tinplate plant at Alliquippa, Penn. Necessary repairs will be made and the plant will resume on July 21.

**KNICKERBOCKER ICE COMPANY.**—President William Oler announced that the company had decided to serve none but its regular customers during the Summer months. This step had been made necessary, he said, by the heavy run on the Knickerbocker supply due to higher prices asked by other companies.

**LACKAWANNA STEEL COMPANY.**—This company and subsidiary companies report for the quarter ended June 30, 1913, and six months, compared as follows:

	1913.	1912.	1911.
Income.....	\$1,739,924	\$702,668	\$651,661
Property earnings.....	170,000	185,758	164,859
Total income.....	1,909,925	888,426	816,521
Surplus.....	1,012,675	85,546	71,843
Unfilled ord., gross tons.....	436,675	564,900	218,391

Jan. 1 to June 30:

	1913.	1912.	1911.
Income.....	3,125,952	815,108	1,271,735
Property earnings.....	387,517	385,722	334,625
Total income.....	3,513,469	1,200,831	1,606,360
Surplus.....	2,022,396	365,228	107,573
Unfilled ord., gross tons.....	436,675	564,900	218,391

**OHIO COAL MERGER.**—The Youghiogheny & Ohio Coal Company, the Lorain Coal & Dock Company and the Belmont Coal Company, owning fourteen large mines and 15,000 acres of coal land in Belmont County, Ohio, are preparing to merge. The three companies control four-fifths of the coal in the county. Capital stock will be \$15,000,000.

**PRAIRIE OIL AND GAS.**—The company announces that it will immediately begin construction of an eight-inch pipe line, extending from the trunk line at Carrollton, Mo., to the Wood River refinery of the Standard Oil Company of Indiana at Altoona, Ill., a distance of about 290 miles. The new line will be able to take care of about 18,000 barrels daily. In order to relieve the heavy traffic over the main line, a loop will be built from Humboldt to Carrollton.

**REPUBLIC IRON AND STEEL COMPANY.**—From the new power station, which the company is erecting at East Thomas, Ala., current will be supplied for the company's furnaces at Thomas, and in addition power will be transmitted to the Sayre town mines of the company and to three other coal properties. Mining operations will be increased when the current from the new plant is available.

**TELEGRAPHONE CORPORATION OF NEW JERSEY.**—The English courts have refused a further grant of the British patents owned by the corporation in Valdemar Poulsen's invention for "storing up speech or signals by magnetic influence" on the ground that it has not been worked in England. The patents were granted in 1890 and have now expired. The corporation's counsel told the court that the invention had never been used in England because the corporation was awaiting a perfected machine, which was now being used successfully in America. The English Crown Counsel was not opposed to the grant, but desired that the matter be fully investigated. Mr. Justice Warrington finally decided that the American company had not supplied sufficient reason for not attempting to work the patents in England.

**U. S. STEEL CORPORATION.**—President James A. Farrell, who has just returned from an inspection of the corporation's mine leases of the Minnesota ranges, declared the corporation would expend \$20,000,000 on the steel mills outside Duluth. "In addition to a model town," he said, "we will build a \$2,000,000 cement plant with a capacity of 40,000 barrels a day as a side line."

**WESTINGHOUSE ELECTRIC AND MANUFACTURING COMPANY.**—The company has sold to Kuhn, Loeb & Co. an issue of \$3,250,000 of two-year 6 per cent. notes, to retire a like amount of the \$4,000,000 issue which matures on Aug. 1 next. The balance will be paid off from cash now in the company's treasury. Since April 1 the company has reduced its obligations by \$1,500,000. The new notes are to be offered to holders of the maturing issue in exchange, and the balance not taken by the present holders will be offered for subscription at a price around 99.

## Wages on Eastern Railroads

According to a statement issued by the conference committee of Eastern railroad managers, the average pay of regular conductors and trainmen of five railroads in 1912, taken from the actual payrolls, was as follows:

	Passenger Conductors	Passenger Trainmen	Freight Conductors
Baltimore & Ohio.....	\$1,574.00	\$996.75	\$1,219.15
New York Central.....	1,626.79	1,017.18	1,322.60
Pennsylvania.....	1,636.00	961.75	1,326.55
Lackawanna.....	1,636.69	954.41	1,296.78
Big Four.....	1,767.74	1,027.57	1,316.50

	Freight Trainmen	Yard Conductors	Yard Trainmen
Baltimore & Ohio.....	\$834.75	\$1,176.00	\$896.45
New York Central.....	877.95	1,259.23	1,077.63
Pennsylvania.....	901.72	1,238.76	1,102.36
Lackawanna.....	864.94	1,170.74	998.85
Big Four.....	859.80	1,234.63	1,042.08

The B. & O., N. Y. Central, Pennsylvania, Lackawanna and Big Four were picked out as representative of the Eastern territory.



## Prosperity Smiles on the Hard Coal Roads

The Higher Their Expenses the Bigger the Profits They Get From Consumers—They Welcome a New Tax

Special Correspondence of THE ANNALIST

PHILADELPHIA, July 12.—No group of railroads in this country can make as good a showing of earnings, both gross and net, for the fiscal year ended with June 30 last as the eight carriers which constitute the anthracite group. These railroads are the Central of New Jersey, Delaware & Hudson, Lackawanna, Erie, Lehigh Valley, Ontario & Western, Susquehanna & Western, and Reading. The latest returns cover the month of May and the period of eleven months of the fiscal year. The output of anthracite last month was just a little short of the production in June a year ago, so it may be taken for granted that the net returns for last month, which will complete the fiscal year, will not vary much from those of the corresponding month of last year, and a fair estimate of the yearly earnings may be based upon the returns for eleven months.

In eleven months the gross earnings of the eight anthracite carriers were \$281,170,215, an increase of \$35,338,357, or about 12½ per cent. For the same period the net earnings of the group were \$90,053,163, an increase of \$18,479,514, or 20 per cent. The only one of the eight roads which made smaller net earnings in eleven months than last year is the Susquehanna & Western, controlled by the Erie, and this small loss of \$45,661 will probably be more than made up when the June statement is published.

This increase in gross and net earnings is partly due to the fact that the anthracite mines were closed last year for some weeks on account of labor trouble with the mine workers. Anthracite production was at its maximum in 1911 when the total shipments reached nearly 70,000,000 tons, an increase of 5,000,000 tons over the preceding year, the output having been increased in anticipation of the suspension of operations when the contract of the operators with the mine workers would expire.

The shipments for the first six months of this calendar year are 34,851,854 tons, an increase of 8,754,875 tons over the first half of last year.

In addition to the increased tonnage, however, there is another reason for the increased profits. Most of the carriers named own anthracite lands and through subsidiary corporations operate collieries. Following a settlement of the labor troubles last year, when wages were increased, the price of anthracite at the mines was also raised to an amount greater than the increase in wages. Thus the coal companies have been making greater profits on coal sold than before the labor trouble of last year.

There is a possibility of still greater gains being made by the anthracite carriers through their ownership of the coal properties. The Legislature of Pennsylvania, which has recently adjourned, imposed a tax of 2½ per cent. ad valorem upon anthracite coal at the mines. The law is now in effect, and upon all bills the companies are adding the tax, which will average 5 or 6 cents per ton. By the time this tax reaches the consumer it will have grown to at least 10 cents per ton, and as some of the railroads still distribute their own coal to the trade they will no doubt profit by the tax as they will receive more than the 2½ per cent. It is said here that the legality of this tax may be tested in the courts. Of the total production of coal, about 85 per cent. is shipped from Pennsylvania, where it is produced, to other States. The curious claim, it is said, will be made that, as much of the tax will in fact be paid by consumers in other States, the new law imposes a tax upon exports to other States and is therefore in violation of the Constitution of the United States.

### CANADA'S "BLUE SKY" LAW

How the Manitoba "Sale of Shares" Act Has Worked Out in a Year's Trial

\*The Manitoba Public Utilities Commission has published its first report. This covers the six months ended Nov. 30, 1912. One of the most important matters dealt with therein is the Sale of Shares act which came into effect on July 1, 1912. Its object, as is well known, was to regulate the offering of shares in untried enterprises operating out of Manitoba. There was previously no limit to the practice. Concerns unknown here, and frequently entirely foreign to Canada, were enticingly advertised with representations and promises which proved a snare for the unwary. Examination of the status and financial condition of such con-

cerns was made a pre-requisite to the right to offer shares here by advertisement or otherwise. A high standard was set, and while the act provides that a certificate shall not be construed as an assurance that securities have a true value, or will be profitable, nevertheless the examination not only excludes worthless enterprises from the investment field here, but affords an implication that there is some real value in the shares or bonds offered. The act was subjected to the criticism that large extra-provincial institutions of unquestioned merit were treated in the same way as the unknown and doubtful concern, and were liable to the same inquisition.

### LISTED ON STOCK EXCHANGE

This was fully met by pointing out that Section 4 of the act excludes any possibility of impediment to business in such cases, by enabling the commission to authorize the listing of securities of the high classes mentioned, upon an approved Stock Exchange, which may be done on a moment's notice. This does not limit the dealings to such Exchange. Anything so authorized to be there sold may be sold anywhere.

The only other criticism of any importance (except those made by persons against whom the act was directed) is that the act does not cover the whole object, in that foreign companies, otherwise within its purview, may evade its application by obtaining a license under the Extra-Provincial Companies act. This is not an objection to the principle of the act, but merely an argument that it does not go far enough. While the objection may appear, on its face, to be a reasonable one, nevertheless, as far as has come to the knowledge of the commission, it cannot yet be said that the exception of foreign companies, which so take out a license, has actually been made a means of evading the Sale of Shares act. The fee required of such companies for license would not alone exclude any operator in such shares as are within the purview of the act, but companies under that act are subject to the obligation of making returns and revealing their condition. They are not free from all supervision. It may be that if the privilege of licensing is abused so as to evade this act, some measure should be taken, but the undersigned cannot, as far as experience has gone, say that companies licensed under the Extra-Provincial Companies act should be made subject to the Sale of Shares act.

### PRACTICAL RESULT OF ACT

The practical result of the Sale of Shares act has been to exclude the offering, by advertisement and otherwise, of shares in companies incorporated in various States of the Union and in certain of the other Provinces. In very few instances, altogether only five, did the application take formal shape. Matters were dealt with, in many cases, informally, a short discussion making it quite apparent that the step of a formal application would result in nothing, whereupon those interested did not press the matter further. As a matter of fact only one certificate has been granted, that being to a mortgage company, under the powers already referred to, to authorize listing on an Exchange. It is felt that it can be fairly said that the general exclusion, from this field, of the many ventures which were advanced, was not due to an overstrict interpretation of the act, but to the fact that it was not demonstrated that the enterprises had gone beyond a speculative stage, and shown themselves to come up to a reasonable standard for safe investment. One instance showed a possibility of a slight improvement in the act. A company may issue mortgage bonds or preferred shares. These bonds or shares may be a safe and legitimate investment. Its common stock may be without foundation in substance.

As the act at present reads, all these securities must be excluded.

\*From the Monetary Times, Toronto.

### DROP IN STATE BANK NOTES

It Was Caused by One National Bank's Writing Off the Liability

In the reports of the national banks responding to calls of the Controller there persists from year to year an item representing a few thousand dollars' worth of old State bank notes still outstanding. There is a tax of 10 per cent. on State bank circulation, but the figure reported by the Controller represents old notes that have never been redeemed standing as a liability against national banks that succeeded State banks which issued them. For several years the amount outstanding against all the national banks had been something over \$27,000, the exact figure decreasing by a few dollars every year or so. On April 4 it was \$27,701.

On June 4 the amount reported suddenly dropped to \$22,415. Acting Controller Thomas P. Kane

was asked for the circumstances of the sharp reduction. He wrote in reply:

In reply to your letter of July 7, you are advised that the item referred to represents the total amount of State bank notes outstanding for the redemption of which national banks are liable, as they succeeded the State banks which issued the notes. The reduction in the amount shown on June 4 was occasioned by one bank transferring its State bank circulation to "Profit and Loss." The bank has been requested to reverse this action, and show this circulation in future reports.

### MAKING WORK A PLEASURE

The Manufacturers' Record Has a Little Fun with the Agricultural Commission

\*UNITED STATES COMMISSION to investigate AGRICULTURAL CO-OPERATION in Europe,

DUNCAN U. FLETCHER, CHAIRMAN, Southern Building, Washington, D. C. OFFICIAL BUSINESS.

So reads the inscription upon an official envelope which has been sent from Washington through the mails, carrying a "special cable," with this explanation:

Editor: These cable stories are supplied free twice a week by the American Commission on Agricultural Co-operation. The commission is now studying co-operative agricultural banking and marketing in fourteen European countries. The commission was assembled by the Southern Commercial Congress.

Please let us have your views and any information you can furnish on these subjects. Address Duncan U. Fletcher, Chairman, American Commission on Agricultural Co-operation, Rooms 300-320 Southern Building, Washington, D. C.

One of the latest of these "special cables" was dated "Totmegyer, Hungary, June 27," and in mimeograph form in its official envelope was in the Post Office at Washington, D. C., June 27, 4 P. M., ready for mailing to a gasping country. Some cabling, that! It describes the entertainment on June 27 in the town of 3,610 inhabitants of members of the American Commission on Agricultural Co-operation in "true Hungarian peasant style." Of sixty-one lines of this "special cable" less than four lines are devoted to co-operative credit, one of the main objects of the junket. Most of the other lines are full of the joyousness of existence. Some specimen extracts, in response for request for views:

### JOYOUSNESS OF EXISTENCE

The commission was first welcomed in the People's House, a sort of town hall erected through co-operative effort. In the vestibule of the hall stood a line of twenty Hungarian peasant girls, evidently chosen for their complexions.

Ah, ha!

Then the peasant girls, in their brilliant native attire, began the dances of rural Hungary. These are wonderful dances, possible only for a dance-loving people. There was a luncheon served in the open with huge mugs of beer and the favorite cold meats of the country. The peasant girls were the waitresses, and great was the popularity of those members of the commission who could master enough German or French to translate for their fellow-Americans a request to the pretty country maids.

Ah there, Joey Bagstock!

After luncheon dancing was begun again, and this time the Americans were invited to try their skill. The effort was not very successful, but the gypsy band was found able to improvise a form of "Everybody's Doing It," and so a turkey-trot exhibition was changed for the dance of the peasants. Cameras were produced, and a chapter of pretty faces added to the record of the commission.

Tut, tut! as President Wilson would say at a fizzle.

### GETTING BACK TO BUSINESS

In the meantime may be recalled with pleasure the following paragraph in the Agricultural Appropriation bill, approved March 4, 1913:

That the President of the United States shall appoint a commission composed of not more than seven persons, who shall serve without compensation, to co-operate with the American commission assembled under the auspices of the Southern Commercial Congress to investigate and study in European countries co-operative land-mortgage banks, co-operative rural credit unions, and similar organizations and institutions devoting their attention to the promotion of agriculture and the betterment of rural conditions, and for the purpose of its investigations the commission shall be authorized to incur and have paid upon the certificate of its chairman such expenses in the City of Washington and elsewhere for the payment of the salaries of employees, clerks, stenographers, assistants, and such other necessary expenses as the commission may deem necessary; provided, that the total expenses incurred for all purposes shall not exceed the sum of \$25,000, and the said commission shall submit a report to Congress as early as practicable, embodying the results of its investigations and such recommendations as it may see fit to make.

Is the report of the commission to include the twenty chosen Hungarian complexions, the chapter of pretty faces and huge mugs of beer served a la Hungary?

\*From The Manufacturers' Record.

# Crops

## A Plentiful Yield Despite Relapses

**Corn and Wheat Should Make Fair Crops,  
Oats Somewhat Short, Potatoes Back-  
ward, Cotton Next to "Record"**

The indications of the July reports on crops published by the Government Department of Agriculture on Thursday hold through the remainder of the growing season to harvest. We may look for fair yields on the farms, by and wide, and business has apparently taken its cue already in expectation of normal activities. Conditions are below the average by a minute fraction, but increased averages will make up in some kinds of production. Bunching the great cereal crops, a yield of 90 per cent. of last year's bumper crops of wheat, oats and corn is expected. Cotton is doing better than last year. One of the unfavorable crops, that figures largely in the cost of living, is that of potatoes. The crop in these will parallel closely the production of 1910.

### CROP ESTIMATES COMPARED

The July prediction of yields of important products, compared with the June estimates and final production last year, is:

	1913.		1912.
	July 1	June 1	Final
	Prediction.	Prediction.	Estimate.
Winter wheat (bu.)	483,000,000	492,000,000	400,000,000
Spring wheat (bu.)	218,000,000	232,000,000	330,000,000
All wheat (bu.)	701,000,000	744,000,000	730,000,000
Oats (bu.)	1,031,000,000	1,104,000,000	1,418,000,000
Corn (bu.)	2,971,000,000	.....	3,124,746,000
Cotton (bales)	*14,371,000	*13,850,000	14,313,015
Potatoes (bu.)	343,000,000	.....	420,647,000
Tobacco (lbs.)	926,000,000	.....	962,855,000
Barley (bu.)	165,000,000	.....	223,824,000

\*Unofficial estimate made with Government averages.

### CORN

The corn crop estimates and condition were surprisingly better than was generally anticipated. Acreage planted is a little short of 1912. The condition of the plants in the fields was better than last year and better than it has averaged for ten years. This is the first report of the year showing the number of acres planted in corn. The figures by States, together with the percentage the acreage this year bears to last year's, and conditions, are reported to be:

States—	P. C.	Condition		10-yr. avg.
		July 1, 1913.	July 1, 1912.	
Illinois	99	10,551,000	83	78
Iowa	99	9,947,000	89	83
Missouri	97	7,393,000	85	83
Nebraska	100	7,609,000	91	80
Kansas	98	7,424,000	81	84
Texas	97	7,081,000	83	84
Oklahoma	95	5,176,000	87	90
Indiana	99	4,898,000	88	77
Ohio	98	3,994,000	89	77
Georgia	104	4,066,000	91	78
Kentucky	101	3,636,000	90	82
Tennessee	101	3,365,000	88	86
Alabama	103	3,244,000	87	82
Mississippi	104	3,230,000	85	82
North Carolina	101	2,836,000	89	88
South Dakota	105	2,620,000	93	76
Arkansas	101	2,500,000	81	84
Minnesota	104	2,357,000	91	78
Virginia	100	1,980,000	91	88
South Carolina	104	1,992,000	86	79
Louisiana	107	1,931,000	87	77
Wisconsin	100	1,632,000	89	77
Michigan	101	1,641,000	85	72
Pennsylvania	101	1,463,000	87	78
Un. States.	99.8	106,884,000	86.9	81.5

### OATS

Oats are also below normal in the big oats producing States:

States—	Pct. of All U. S.	Condition		10-yr. avg.
		July 1, 1913.	July 1, 1912.	
Iowa	12.7	84	96	87
Illinois	11.2	62	74	90
Minnesota	7.8	80	95	91
Wisconsin	6.0	91	94	88
Nebraska	5.9	81	96	83
North Dakota	5.9	71	92	91
Kansas	4.9	58	73	83
Ohio	4.8	72	85	92
Indiana	4.6	54	75	95
South Dakota	4.2	76	97	85
Michigan	4.0	77	88	83
New York	3.4	89	92	81
Missouri	3.2	57	75	87
Pennsylvania	3.0	83	90	88
United States	100.0	76.3	87.0	89.2

### SPRING WHEAT

Spring wheat is below normal nearly everywhere and is particularly hard hit in South Dakota:

	Condition		July 1, P. C.
	July 1, 1913.	July 1, 1912.	
North Dakota	70	91	92
Minnesota	81	95	89
South Dakota	60	97	83
Washington	93	93	90
United States	73.8	93.5	89.3

### POTATOES

The acreage devoted to potatoes, the indicated yield this year and final crops since 1910 to compare with are as follows:

	Acres planted.	Yield per acre.	Total yield Bushels.
1913	3,685,000	93.1	343,000,000
1912	3,711,000	113.4	420,647,000
1911	3,619,000	80.9	292,737,000
1910	3,720,000	93.8	349,032,000

Conditions are below the average, the department of Agriculture announced, in the Atlantic Coast and North Central States, except Virginia, Florida, Ohio, Wisconsin, Iowa, and Nebraska. They are above average in the South Central and Far Western States, except Kentucky, Alabama, Montana, Utah, and California.

The lowest conditions are found in California, where on July 1 the crops were 15.7 per cent. below average. North Dakota's crops are 14.7 per cent. below; New Hampshire's 13.6 per cent., and South Dakota's 11.1 per cent. Wyoming is the highest above average with 9.3 per cent., followed by Nebraska, 7.7; Texas, 6; Washington, 5.5; Oregon, 5.2, and Iowa, 5.1 per cent.

Corn shows the most flourishing condition, standing at 103.5, or 3.5 per cent. above its yearly average. Other crops show the following averages:

Hemp, 103.3; hops, 103.1; Winter wheat, 102.1; cotton, 102; alfalfa, 101.6; cantaloupes, 101.5; kaffir corn, 101.1; apples, 100.5; beans (dry), 100.5; sugar beets, 100.3; rice, 99.9; peanuts, 99.9; watermelons, 99.9; lima beans, 99.8; cabbage, 99.4; rye, 98.9; sweet potatoes, 98.6; broom corn, 98.5; millet, 98.4; sorghum, 98.4; sugar cane, 98.2; onions, 98.1; blackberries, 98.1; hay (all cultivated kinds), 97.9; raspberries, 97.6; tobacco, 97.6; potatoes, 97; clover, 95.9; tomatoes, 95.6; flax, 94; grapes, 93.9; peaches, 93.7; pasture, 91.4; strawberries, 91.4; oats, 90.3; barley, 98.7; pears, 88.7; oranges, 88.4; Spring wheat, 86.5; timothy, 86.3; lemons, 63.3; bluegrass seed (in Kentucky), 62.5.

### THE CHINESE COTTON CROP

#### The New Republic's Crop Bureau Shows That It Has Been Underestimated

One of the unfathomable mysteries of the cotton trade hitherto has been the size of the Chinese cotton crop. It is known that the white staple has been raised in China for hundreds and perhaps thousands of years, but, notwithstanding the fact that the students of the cotton trade, both official and unofficial, have tried to obtain statistics as to the size of the yield, the results have been extremely unsatisfactory. Consular agents and commercial attaches of legations at Peking have tried to obtain figures, but until the last month or so all these efforts have been unavailing.

The late Col. Alfred B. Shepperson, publisher of "Cotton Facts," had for some time been estimating the China crop at 1,300,000 bales. Even the United States Census Bureau, which has unusual facilities for gathering statistics, contents itself with the observation that the crop of China "has been variously estimated by different authorities at from 1,000,000 bales to 1,600,000."

The latest figures which have come to light, however, show that the crop of China has been enormously underestimated and that it amounts to more than 2,600,000 bales of 500 pounds each. The new Department of Agriculture of China has not yet got down to the collection of statistics or the publication of estimates on areas planted, &c., but Messrs. Noel, Murray & Co. of Shanghai, China, have made an investigation which they back up with figures that admit of no refutation. In a circular received from this firm, throwing light on this most interesting question, the following appears:

"There are two channels that can be drawn from for fairly reliable figures for a foundation which must suffice for the present, namely, the total quantity exported and the probable consumption of the mills in China. The quantity used by the people for making the native cloth, wadding for the Winter clothes, and so on, must, however,

be guessed at, and the sum of these three divisions must give approximately the size of the crops, assuming that all are used up, as undoubtedly they are.

"Compilation made last December showed that cotton manufactories established in China operated a total of 947,406 finishing spindles at that time. During this year several additions have been made and the number now is certainly near 1,000,000. Each spindle produces an average of 14 ounces of yarn a day and uses three-quarters of a pound of cotton. This estimate, of course, must vary with the counts, and it includes night-working. Idle days during twelve months are very few, so that a year may be reckoned at 350 working days, multiplied by 1,000,000 spindles, and further multiplied by 12 ounces of cotton, giving the total quantity consumed as 262,500,000 pounds.

"The exports of cotton from China amount to 731,317 piculs; the consumption by native mills amounts to 1,958,750 piculs; total, 2,690,067. As to the unknown quantity, one authority has suggested that a third of the total population, or 135,000,000 people, uses each year 5 catties of cotton per head in wadding, and this alone would reach the total of 6,666,000 piculs, in addition to which there is the annual consumption by the peasantry as weft for the home-made, narrow width cloth to be taken into consideration. So we may safely assume that the crop of an average year will be well over 10,000,000 piculs, equivalent to slightly more than 2,666,000 bales of 500 pounds each.

"The question of crop production per acre per mow (about one-sixth of an acre) seems to be a very open one, it being officially stated that the yield ranges from 13 1-3 pounds in the poorest soil and under the worst conditions to 800 pounds in rare instances. The average yield in the Yang-tse area is about 480 pounds to the acre. Mr. James Kerfoot, manager of the E-Wo Cotton Mills, estimated the average yield at about 960 pounds per acre when cotton is grown alone and less than 700 pounds when grown in rotation with other crops."

It is believed that the time is not far distant, under the fostering influence of the new Republic, when China will rank next to India and possibly surpass it in the production of cotton. With the uprooting of the poppy plant, hitherto grown for the production of opium, vast areas will be available for cotton production, and when the natives learn something more of seed selection, fertilization and improved cultivation, it would not be surprising in the next half a decade to see China's cotton production reach a total of 5,000,000 bales, or practically double its present output.

### WHEAT AND COTTON MARKETS

#### Wheat Down in Price, Cotton Fluctuates with Small Net Decline

The wheat markets have ruled generally lower this week, interpreting the Government crop report as being better than expected. European crops, too, are reported in better condition, thus decreasing the demand for American wheat. Cotton declined slightly at the opening of the week, regained the loss, then again made a fractional drop. Crop news was generally favorable, and there is some inclination to regard the proposed cotton tax legislation as bearish.

### CHICAGO

#### WHEAT.

	July.	Sept.	Dec.
High.	Low.	High.	Low.
July 7	88 1/2	89 1/2	89 1/2
July 8	88 1/2	89 1/2	89 1/2
July 9	88 1/2	89 1/2	89 1/2
July 10	88 1/2	89 1/2	89 1/2
July 11	88 1/2	89 1/2	89 1/2
July 12	88 1/2	89 1/2	89 1/2
Week's range	88 1/2	89 1/2	89 1/2

#### CORN.

	July.	Sept.	Dec.
High.	Low.	High.	Low.
July 7	61 1/2	60 1/2	59 1/2
July 8	61 1/2	60 1/2	59 1/2
July 9	61 1/2	60 1/2	59 1/2
July 10	61 1/2	60 1/2	59 1/2
July 11	61 1/2	60 1/2	59 1/2
July 12	61 1/2	60 1/2	59 1/2
Week's range	61 1/2	60 1/2	59 1/2

#### OATS.

	July.	Sept.	Dec.
High.	Low.	High.	Low.
July 7	41 1/2	40 1/2	41 1/2
July 8	41 1/2	40 1/2	41 1/2
July 9	41 1/2	40 1/2	41 1/2
July 10	41 1/2	40 1/2	41 1/2
July 11	41 1/2	40 1/2	41 1/2
July 12	41 1/2	40 1/2	41 1/2
Week's range	41 1/2	40 1/2	41 1/2

### NEW YORK

#### COTTON.

	Aug.	Oct.	Dec.	Jan.
High.	Low.	High.	Low.	High.
July 7	12.18	11.98	11.42	11.31
July 8	12.08	11.98	11.38	11.34
July 9	12.18	12.03	11.53	11.42
July 10	12.20	12.13	11.55	11.47
July 11	12.16	12.00	11.48	11.40
July 12	12.16	12.06	11.49	11.42
Week's range	12.20	11.98	11.53	11.31